

**COMPTROLLER JOAN M. PRATT'S RESPONSE TO THE  
CITY OF BALTIMORE'S OFFICE OF THE INSPECTOR  
GENERAL'S ADDENDUM (19-0084-I)**

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## I. EXECUTIVE SUMMARY

On February 5, 2020, Inspector General Isabel Mercedes Cumming (the “Inspector General”) published an Investigative Report Synopsis (the “Report”) concerning a vote taken by the Board of Estimates (“BOE”) in 2017. In the Report, the Inspector General explained that Comptroller Joan M. Pratt (“Comptroller Pratt”), along with all the other members of the BOE, voted in favor of the sale of fifteen Baltimore City-owned vacant lots to Bethel African Methodist Episcopal Church (“Bethel A.M.E.”). Importantly, for over a decade prior to the vote, Bethel A.M.E. had been maintaining the lots and had even invested over \$35,000 in their upkeep. Further, prior to the BOE vote, the land transfer had been reviewed and approved by the Housing Real Estate Review Committee. Without consulting legal counsel or an ethics advisor, Comptroller Pratt met with the Inspector General and explained that based on her membership in Bethel A.M.E., she should have abstained from that vote. In the Report, however, the Inspector General concluded that Comptroller Pratt should not have voted for this land transfer because she labored under a “conflict of interest.” The Baltimore City Public Ethics Law (the “Ethics Law”) governs whether public officials have disqualifying conflicts of interest. The Inspector General reached her conclusion without analyzing, or even mentioning the existence of the Ethics Law in her Report.

Then, on March 19, 2020, the Inspector General published an Addendum to the Report. There, the Inspector General identified ten other entities on Comptroller Pratt’s List of Abstentions (“LOA”) that had matters come before the BOE between December 7, 2016 and October 30, 2019. Tellingly, the Inspector General did not allege that Comptroller Pratt’s votes constituted a conflict of interest, but simply contended that Comptroller Pratt “failed to abstain” on matters related to entities and individuals listed on her LOA. But by raising the issue in an “Addendum” to a Report that had accused Comptroller Pratt of a “conflict of interest,” the Addendum gave the false impression to the citizens of Baltimore that Comptroller Pratt had conflicts of interest on these matters. Notably, during a global pandemic and national health emergency, the Inspector General denied Comptroller Pratt’s request for additional time to research and address these issues, and instead rushed to release the Addendum. Although the Addendum was released only 40 days before the primary election for Comptroller was originally scheduled to be held, the Governor of the State of Maryland delayed the election to protect the safety and health of the community. Comptroller Pratt and her outside counsel have now completed their review of the Addendum and submit the following Response Report (“Response Report”).

The Inspector General’s review underlying the Addendum was deficient in several material respects. First, the Inspector General and her staff never interviewed Comptroller Pratt to understand the nature of her affiliations, if any, with the ten entities listed in the Addendum. Second, the Inspector General and her staff never contacted any representatives from the ten entities listed in the Addendum to understand the nature of their affiliation, if any, with Comptroller Pratt. Lastly, the Inspector General still did not analyze, or even reference, the Ethics Law. Instead, the Inspector General issued an Addendum that unfairly implied conflicts of interest existed between Comptroller Pratt and these entities.

If the Inspector General’s Office had taken any of these basic investigatory steps, it would have learned that:

- Comptroller Pratt has been a Certified Public Accountant assisting the Baltimore community with tax returns and accounting matters since 1982. The vast majority of those clients were individuals and approximately ninety percent of them were Baltimore residents.
- Comptroller Pratt listed the ten entities identified in the Addendum—and several others—in her LOAs in an effort to be transparent about her affiliations in the community. Several of these entities are charitable or public service organizations while the rest are local small businesses that have been serving the City of Baltimore for years.
- Comptroller Pratt, who is not an attorney or ethics official, was not representing that she had an ethical conflict of interest with each person and entity listed on her LOAs. Instead, she was voluntarily providing an over-inclusive list of companies for which she provided tax services, and that also may have considered doing business with the City of Baltimore.
- In an effort to be transparent, Comptroller Pratt's LOAs were far longer than the LOAs of any other member of the BOE. For example, in the LOA for April 17, 2019 (identified in the Addendum), Comptroller Pratt listed nearly 90 entities and individuals; the LOA for the BOE member with the next highest number of entries included only fifteen names. Not only does this highlight Comptroller Pratt's inclination to be transparent about her affiliations, but it also illustrates the fact that the BOE gave no instructions or guidelines to its members regarding which persons or entities should be included on LOAs.
- Comptroller Pratt has never had any business relationship with, or even heard of, one of the entities listed in the Addendum.
- Comptroller Pratt discontinued her tax return services for, or employment relationship with, the majority of the entities in the Addendum many years prior to the identified votes. In some cases, the services ended nearly a decade prior to the votes referenced in the Addendum.
- For two of the entities listed in the Addendum, Comptroller Pratt provided individual tax return services more recently. However, those services were for individuals as opposed to the entities themselves. Further, those tax return services had no relation to any of the matters referenced in the Addendum that came before the BOE.
- For one non-profit organization referenced in the Addendum, Comptroller Pratt held a non-employee, uncompensated, non-leadership position within the entity at the time of her vote. In fact, a representative of the entity confirmed that Comptroller Pratt was not an active participant in the management or operation of the entity.

With this information, the Office of the Inspector General likely would have published a different Addendum. Instead, it failed to perform a thorough review, leaving the legal and ethical conclusions to the reader's imagination. This Response Report corrects those omissions. The review supporting this Response Report leads to the conclusion that none of the issues raised in the Addendum resulted in a conflict of interest for Comptroller Pratt. However, in the future,

Comptroller Pratt and all other public officials covered by the Ethics Law should consult with the Baltimore City Board of Ethics before voting on BOE matters involving persons or entities with which they may have previously done business.

## **II. INTRODUCTION**

### **A. SCOPE OF WORK**

At the request of Comptroller Pratt, Barnes & Thornburg LLP (“B&T”) conducted a review of the allegations made by the Inspector General in the Addendum and then drafted this Response Report. The allegations in the Addendum claimed Comptroller Pratt improperly voted to award 30 different contracts, grants, and prequalifications to ten entities that she listed on her LOAs. The Inspector General also noted that Comptroller Pratt’s abstentions did not follow a pattern, and at times Comptroller Pratt withdrew from votes when there appeared that no related entity was on the LOA. The Addendum mischaracterized the absence of a voting pattern as an “irregularity,” and leaves the false impression that Comptroller Pratt had a conflict of interest when voting on matters involving these entities.<sup>1</sup>

### **B. REVIEW PROCESS AND ACTIVITIES**

In the course of its review, B&T examined hundreds of pages of documents and conducted twelve witness interviews.

#### **1. Documentary Review**

The majority of the documents reviewed by B&T were publicly available. These included documents such as the:

- Inspector General’s Report and Addendum, along with the attached exhibits;
- Minutes from several BOE meetings including, but not limited to, those meetings referenced in the Addendum;
- Multiple BOE LOAs;
- 2018 and 2019 Baltimore City Office of Inspector General Annual Reports;
- Formation and registration documents filed with the Maryland Department of Assessments and Taxation for the entities listed in the Addendum;

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<sup>1</sup> Except where specifically noted, this Response Report and the underlying review does not address the allegations made in the February 5, 2020 Report. In addition, this Response Report does not examine the creation, revision, and collection of LOAs during the period in question. Although Comptroller Pratt had previously planned to conduct such a review, B&T determined that the results of such a review were unlikely to impact its analysis of the Ethics Law and the votes in question before the BOE. However, B&T does agree with the Inspector General’s recommendation that going forward, the LOA process should be formalized within the BOE.

- Partially redacted tax records for the relevant entities and individuals; and
- Records voluntarily provided to B&T by the interviewed witnesses.

## **2. Witness Interviews**

B&T conducted more than twelve interviews, including those of:

- Comptroller Pratt
- A representative of Banks Contracting, Inc.
- A representative of Associated Black Charities, Inc.
- A representative of Union Baptist Church-School, Inc.
- A representative of the Legal Aid Bureau, Inc.
- A representative of Coppin Heights Community Development Corporation
- A representative of American Contractors of Baltimore, Inc.
- A representative of American Contracting and Environmental Services, Inc.
- A representative of Horton Mechanical Contractors, Inc.
- A representative of Ball and Breckenridge Trucking, Inc.
- A representative of the House of Restoration LLC; and
- A representative of Economic International Construction Company.

The documentary review and witness interviews provided the support for this Response Report and supported the following discussion of the Ethics Law.

### **III. ACCOUNTANT JOAN PRATT BECOMES COMPTROLLER PRATT**

#### **A. ACCOUNTANT JOAN PRATT**

Comptroller Pratt was born and raised in the City of Baltimore, Maryland. Other than attending college, she has spent all of her life, living and working in Baltimore City. Comptroller Pratt earned her Bachelor of Science degree in Accounting from Hampton Institute.<sup>2</sup> Following college, she immediately began her career. She honed her skills at one of the largest and most

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<sup>2</sup> Hampton Institute was founded in 1868 but later changed its name to Hampton University.

prestigious accounting firms in the country: Coopers & Lybrand.<sup>3</sup> After gaining quality experience at Coopers & Lybrand, she took the position as Comptroller of the Baltimore Legal Aid Bureau, Inc. (“Legal Aid”). Legal Aid currently is the largest provider of free legal services for low-income individuals in Maryland. In her role as the Comptroller for Legal Aid, she was the lead audit executive and generally responsible for the financial reporting and accounting functions of the entire organization. She stayed in that role for thirteen years. While managing her employment responsibilities, Ms. Pratt became a Certified Public Accountant (“CPA”) and, thereafter, obtained a Master’s of Science in Taxation from the University of Baltimore.

Throughout her career, Joan Pratt committed herself to using her education to serve the community. She began assisting individuals and small businesses in Baltimore with their tax issues. She formalized this assistance once she became a CPA in 1982. At that time, she began Joan M. Pratt, CPA & Associates (“Pratt & Associates”). To date, Pratt & Associates has worked with over one thousand clients. The vast majority of those clients have been individuals and about 90% of them were and are residents of Baltimore. Despite her substantial professional experience and education, she still charges these residents very affordable fees for her services.

#### **B. COMPTROLLER JOAN M. PRATT AND HER ROLE ON THE BOARD OF ESTIMATES**

In 1995, in an effort to serve the wider Baltimore community, Joan Pratt decided to run for elected office. She was successful in that campaign and became the second female and second African American to become the Comptroller of the City of Baltimore (the “City”). As Comptroller, she has general supervision of the Department of Audits and oversees the operations and management of the Department of Real Estate, Municipal Post Office, and Municipal Telephone Exchange.

One of her duties as Comptroller requires that she sit on the BOE. As a member of the Board of Estimates, she is a fiscal officer for the City with authority to review and approve a wide range of City contracts, grant agreements, personnel matters, real estate transactions, franchise agreements, city council bills, and several other matters affecting the City’s revenue and capital operating expenses. There are five voting members on the BOE, including the Mayor, President of the City Council, the City Solicitor, and the Director of Public Works.

#### **IV. THE LIST OF ABSTENTIONS AND THE INSPECTOR GENERAL’S REPORT AND ADDENDUM**

##### **A. LIST OF ABSTENTIONS**

The List of Abstentions (“LOA”) is a cumulative list created by the BOE members that is intended to show certain companies and individuals with which each member may have a relationship. These entities are voluntarily disclosed by each member of the BOE. When an issue comes before the BOE that relates to an entity disclosed by a particular member, that member should consider abstaining from the vote. However, adding the name of a business or individual to the LOA does not mean that a conflict of interest exists. It is not a substitute for a legal analysis

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<sup>3</sup> In 1998, Coopers & Lybrand merged with Price Waterhouse to form PricewaterhouseCoopers.



that can conclusively determine whether a member of the BOE has a conflict of interest requiring him or her to abstain from voting on a particular issue.

According to our review, there was never a formal policy issued by the BOE setting forth rules concerning the LOA and conflicts of interest. Each individual member took it upon him or herself to identify the names appropriate for such a list. In an effort to be as transparent as possible, Comptroller Pratt (who is not an attorney or ethics expert) erred on the side of caution and attempted to disclose every entity and individual that she ever performed accounting services for who she thought might also have business with the City. This is evident from a review of the LOA from April 17, 2019, in which Comptroller Pratt listed 89 entities and individuals.<sup>4</sup> This was by far the largest number of entries on the LOA of any member of the BOE.<sup>5</sup> By voluntarily listing all those companies and individuals, however, Comptroller Pratt was **not** representing that she had a conflict of interest with each and every one.

## **B. THE BALTIMORE OFFICE OF THE INSPECTOR GENERAL AND ITS REPORTS**

The Office of the Inspector General for the City of Baltimore was created in July 2005 by Mayor Martin O'Malley to increase government accountability. The Inspector General is appointed by an advisory board that is currently comprised of seven members, including the Mayor, City Solicitor, City Comptroller, City Council President, a member of the City Council appointed by the City Council President, the Dean of the University of Maryland School of Law, and the Dean of the University of Baltimore School of Law.<sup>6</sup>

On February 5, 2020, the Inspector General published the Report and alleged that Comptroller Pratt improperly voted in favor of the City's sale to Bethel A.M.E. of fifteen vacant lots. Without reviewing any of the ethics or conflict of interest laws, the Report concluded that "Comptroller Pratt voted in favor of selling City-owned land to her church, Bethel AME, and that *it was a conflict of interest.*"<sup>7</sup> Without consulting legal counsel or an ethics advisor, Comptroller Pratt agreed that she should not have voted on the Bethel A.M.E. land transaction.

On March 19, 2020, the Inspector General published the Addendum, and identified ten entities on Comptroller Pratt's LOA that the Inspector General alleged had matters before the BOE between December 7, 2016 and October 30, 2019.<sup>8</sup> This time, the Inspector General did not accuse Comptroller Pratt of voting on matters in which she had a conflict of interest. Instead, the

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<sup>4</sup> Ex. A, Board of Estimates List of Abstentions (April 17, 2019).

<sup>5</sup> The member of the BOE with second highest amount of entries was the BOE President and Baltimore Mayor Bernard C. "Jack" Young who included fifteen entities.

<sup>6</sup> Ex. B, pg. 6, Baltimore City Office of the Inspector General 2019 Annual Report, *available at* [https://inspector-general.baltimorecity.gov/sites/default/files/OIG%20Annual%20Report%202019\\_pdf.pdf](https://inspector-general.baltimorecity.gov/sites/default/files/OIG%20Annual%20Report%202019_pdf.pdf). Given that members of the advisory board may vote to remove the IG "for misconduct in office, persistent failure to perform the duties of the office and conduct prejudicial to the proper administration of justice," *id.* at 6, it is odd that the IG is empowered to investigate those City officials who sit on the advisory board, without creating a conflict of interest.

<sup>7</sup> Ex. C, pg. 6 (emphasis added), Office of the Inspector General, City of Baltimore: Investigative Report Synopsis (Feb. 5, 2020).

<sup>8</sup> Ex. D, pg. 5, Office of the Inspector General, City of Baltimore: Investigative Report Synopsis, Addendum to Inspector Cumming Case # 19-0084-I (Mar. 19, 2020).

Addendum observed that at times Comptroller Pratt voted on matters related to entities or individuals on the LOA, while at other times she abstained from votes related to those same entities or individuals. Critically, in creating the Addendum, the Inspector General never truly investigated either the intended purpose of Comptroller Pratt's LOA or, more importantly, whether the list was accurate. Neither the Inspector General nor her staff spoke with anyone from the entities on Comptroller Pratt's LOA, or Comptroller Pratt herself, to determine whether a conflict of interest actually existed.<sup>9</sup> Instead, the Inspector General simply compared the LOA against each vote, leaving a false impression that Comptroller Pratt had conflicts of interest.

## **V. ETHICS REGIME AND CONFLICT OF INTEREST LAWS APPLICABLE TO BALTIMORE CITY ELECTED OFFICIALS**

The City has had ethics laws that applied to elected officials since at least 1983. The ethics regime that exists today emerged as a result of Ordinance 04-795 ("Ethics – Raising the Bar"),<sup>10</sup> which was signed into law by Mayor Martin O'Malley on July 8, 2004.<sup>11</sup> The majority of changes brought the City's ethics laws in line with the State of Maryland's standards for ethical conduct. Later, the Maryland General Assembly amended the State Ethics Law to require that all local ethics laws be the same or more stringent than the state ethics laws that apply to state officials.<sup>12</sup> In response, the City in 2011 enacted Ordinance 11-484 (Public Ethics Law – Compliance with State Requirements) which made important changes to the City's ethics regime, including the rules prohibiting employment and other potential interests that might raise a conflict.<sup>13</sup> The purpose of the Ethics Law, as it exists today, is to "guard against improper influence or even the appearance of improper influence" and thus, "set[s] minimum ethical standards of conduct for City officials and employees."<sup>14</sup>

After conducting a factual investigation and review of these pertinent provisions, we believe that Comptroller Pratt ran her office with openness and transparency and did not have conflicts of interest in the matters cited in the Addendum.

### **A. RELEVANT ETHICS CODE PROVISIONS**

The Addendum should have evaluated the relationship, or lack thereof, between Comptroller Pratt and the ten entities, it identified, to determine: 1) whether Comptroller Pratt actually had a relationship with each listed company or individual; and 2) even if Comptroller Pratt had some relationship with an owner or the entity itself, whether that relationship constituted a

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<sup>9</sup> Inspector Cumming interviewed Comptroller Pratt for roughly thirty minutes prior to publishing its original Report. However, she did not interview Comptroller Pratt again with respect to the new allegations in her Addendum.

<sup>10</sup> Ex. E, Baltimore City Ordinance, File No. 031075 ("Ethics – Raising the Bar") (July 14, 2003).

<sup>11</sup> Ex. F, Baltimore City Council Ordinance 04-795 Action Report (July 8, 2004), <https://baltimore.legistar.com/LegislationDetail.aspx?ID=2173858&GUID=34A67FB2-9723-4594-9136-08C3B86FCA00&Options=ID%7cText%7c&Search=04-795&FullText=1>.

<sup>12</sup> Ex. G, pg. 2, Baltimore City Board of Ethics Annual Report (2014), <https://ethics.baltimorecity.gov/sites/default/files/2014%20Annual%20Report.pdf>.

<sup>13</sup> Ex H, City of Baltimore Public Ethics Law – Compliance with State Requirements) (September 30, 2011).

<sup>14</sup> Baltimore City Public Ethics Law Art. 8 § 1-2.

conflict of interest. We believe the issues raised by the Report and Addendum are properly analyzed according to two specific provisions of Baltimore's Ethics Law.

### 1. Subtitle 6 – Conflicts of Interest

The Ethics Law's conflict of interest provisions assist elected officials, and other public servants to which the Ethics Law applies, to determine the circumstances under which their participation in certain matters is prohibited. Although Subtitle 6 of the Ethics Law ("Conflicts of Interest") contains a host of provisions addressing the question of conflicts, the relevant portions that the Addendum should have addressed provide as follows:

(b) *When participation prohibited.*

Except as otherwise provided in this Part II, a public servant may not participate in and must disqualify himself or herself from any matter if:

(1) the public servant has *an interest in the matter* of which the public servant might reasonably be expected to know; . . . or

(3) any of the following *is a party to the matter*:

(i) any business entity in which:

(A) the public servant has *a financial interest* of which the public servant might reasonably be expected to know; . . . .

(ii) any business entity in which:

(A) the public servant is *a partner, officer, director, trustee, employee, or agent*; . . .

\* \* \*

(iv) any business entity that is *a party to a contract with*:

(A) the public servant, *if the contract could reasonably be expected to result in a conflict between the private interests of a public servant and the public servant's official City duties*; . . . .

\* \* \*

(vii) any business entity that has *a financial interest* in another business entity in which the public servant also has *a financial interest*, if the public servant might reasonably be expected to know of both financial interests; [and]

\* \* \*

(ix) any business entity that, to the public servant's knowledge, is a *creditor or obligee* of the public servant or a disqualifying relative and that, as a creditor or obligee, is *in a position to affect directly and substantially the interest of the public servant* or disqualifying relative.<sup>15</sup>

Thus, according to the relevant portions of Subtitle 6, there are five scenarios in which Comptroller Pratt, as a public servant, might have to abstain from a matter because of a conflict of

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<sup>15</sup> Baltimore City Public Ethics Law Art. 8 § 6-6(b) (emphasis added).

interest. The first requires that the public servant has an “interest” in the matter.<sup>16</sup> The Ethics Law defines that term “interest” to mean “any legal or equitable economic interest, whether or not subject to an encumbrance or a condition, that is owned or held wholly or partly, jointly or severally, or directly or indirectly.”<sup>17</sup> The Ethics Law also explains that an “interest” does not include “an interest held in the capacity of a personal representative, agent, custodian, *fiduciary*, or trustee, unless the holder has an equitable interest in the subject matter[.]”<sup>18</sup> The Ethics Law does not define the term “fiduciary,” but Maryland courts have explained that a fiduciary is a “very broad term embracing both technical fiduciary relations and those informal relations which exist wherever one person trusts in or relies upon another[.]”<sup>19</sup> Some of the most technical or formal fiduciary relationships include those that an attorney or accountant have with their client.<sup>20</sup> In this scenario, an accountant-client relationship would not create an “interest” in a business that would lead to a conflict of interest.<sup>21</sup>

The second scenario in which Comptroller Pratt might have had to abstain due to a conflict of interest would have been if she considered a matter involving a “business entity” in which she had a “financial interest,” or the business entity had a financial interest in another entity in which Comptroller Pratt had a financial interest.<sup>22</sup> The Ethics Law defines a “business entity” broadly to mean “any person engaged in business or other organized activity, whether for-profit or not-for-profit and regardless of form.”<sup>23</sup> It also explains that a “financial interest” means:

[O]wnership of: (1) more than 3% of a business entity; (2) securities of any kind that represent or are convertible into ownership of more than 3% of a business entity; or (3) any interest as the result of which the owner:  
(i) received more than \$1,000 in any 1 of the preceding 3 calendar years; or  
(ii) is entitled to receive more than \$1,000 in the current or any subsequent calendar year.<sup>24</sup>

Thus, in order to have a financial interest in a business entity, the public servant must own some portion of the business entity or have a defined interest in the entity. Our review determined that Comptroller Pratt does not have *any* ownership interest in the entities listed in the Inspector General’s Addendum and, therefore, also does not have a financial interest in them.

The third scenario in which Comptroller Pratt might have to abstain due to a conflict of interest would have been if a matter related to a business entity in which she was a “partner, officer, director, trustee, employee, or agent” came before the BOE. Irrespective of any “financial interest”

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<sup>16</sup> *Id.* § 6-6(b)(1).

<sup>17</sup> *Id.* § 2-19(a).

<sup>18</sup> *Id.* § 2-19(b)(1) (emphasis added).

<sup>19</sup> *Hartlove v. Maryland Sch. for the Blind*, 681 A.2d 584, 606 (Md. App. 1996).

<sup>20</sup> *Wagner v. State*, 128 A.3d 1, 24 (Md. 2015) (explaining that a professional accountant or attorney relationship with their client is a formal fiduciary relationship).

<sup>21</sup> Even if an “interest” exists, it must involve in the pertinent *matter* being considered by the public servant for the Ethics Law to apply. Thus, in this context, the interest would have to involve the votes before the BOE to qualify.

<sup>22</sup> Baltimore City Public Ethics Law Art. 8 §§ 6-6(b)(3)(i)(A) and (b)(3)(vii).

<sup>23</sup> *Id.* § 2-4.

<sup>24</sup> *Id.* § 2-16 (emphasis added).

in the business entity, a public servant should abstain if he holds one of the listed positions within the business entity.

The fourth scenario in which Comptroller Pratt might have to abstain due to a conflict of interest would be if the business entity has a contract with the public servant. Under this circumstance, the public servant must abstain only “if the contract could reasonably be expected to result in a conflict between the private interests of a public servant and the public servant’s official City duties.”<sup>25</sup> After reviewing the Ethics Law and the Advisory Opinions from the Baltimore Board of Ethics, under this scenario, we have been unable to locate any guidance regarding the kinds of contracts that could reasonably be expected to “result in a conflict.”

Finally, the fifth scenario in which Comptroller Pratt might have to abstain due a conflict of interest would be if a party to a matter before the BOE was a business entity that is currently “a creditor or obligee of the public servant . . . and that, as a creditor or obligee, is in a position to affect directly and substantially the interest of the public servant.”<sup>26</sup> Similar to the fourth scenario, we are not able to locate any guidance regarding the types of creditor or obligee relationships that could “affect directly and substantially the interest of the public servant.”

Therefore, in most cases, a public servant must have an interest in, own some portion of, have a contract with, be a creditor or obligee of, or hold an executive, trustee, or agent level position within the business entity in order for a conflict to arise that would require the public servant to abstain. Importantly, Subtitle 6 of the Ethics Law does *not* require a public servant to abstain from all matters related to business entities with which he or she had a prior business relationship.

## 2. Subtitle 7 – Financial Disclosure

For potential conflicts of interest, the Ethics Law requires certain disclosures. In particular, an “official must disclose employment and *interests* that raise a potential conflict of interest in connection with a specific proposed action by the official. The disclosure must be made sufficiently in advance of the action to provide adequate disclosure to the public.”<sup>27</sup> As previously discussed, Comptroller Pratt does not have an “interest” in any of the business entities listed in the Addendum, and therefore she was not required to file a formal public disclosure for these entities.

## VI. FACTUAL FINDINGS AND ETHICS ANALYSIS

Under the Ethics Law, Comptroller Pratt was not required to abstain from the votes referenced in the Addendum because a conflict of interest did not exist at the time of her vote. The reasons supporting this conclusion generally fall into the following three categories:

- 1) Comptroller Pratt discontinued her accounting services for or employment relationship with the entity or individual many years prior to her vote;

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<sup>25</sup> *Id.* § 6-6(b)(3)(iv).

<sup>26</sup> *Id.* § 6-6(b)(3)(ix).

<sup>27</sup> *Id.* § 7-3 (emphasis added).

- 2) Although Comptroller Pratt provided accounting services more recently for two individuals who either worked for or owned an entity, there was no conflict of interest because she did not have an interest in the matters before the BOE; and
- 3) Comptroller Pratt held a position within the entity at the time of her vote but there was no conflict of interest because it was a non-employee, uncompensated, and non-leadership position within the entity.

There is one outlier that does not fit into one or more of these three categories—that is, American Contracting & Environmental Services (“ACE”). Though Comptroller Pratt included this entity on her LOA, she has never provided accounting services for, been an employee of, or had any relationship with anyone at ACE. It appears that ACE was included mistakenly on Comptroller Pratt’s LOA. Instead, she intended to include American Contractors of Baltimore, Inc. (“American Contractors”) because Pratt & Associates performed accounting services for American Contractors prior to 2009. In any event, none of the matters before the BOE during the time outlined in the Addendum related to American Contractors. Had the Inspector General conducted even a cursory review of ACE, she would have also conclusively determined that Comptroller Pratt had no conflict of interest with that company.

**A. THERE WERE NO CONFLICTS OF INTEREST BECAUSE  
COMPTROLLER PRATT DISCONTINUED HER  
PROFESSIONAL RELATIONSHIP SEVERAL YEARS PRIOR TO  
VOTING ON ANY ISSUES RELATED TO THESE ENTITIES.**

**1. Banks Contracting Company, Inc.**

Banks Contracting Company, Inc. (“Banks Contracting”) has provided contracting services in the City for 35 years. According to its website, Banks Contracting “designs facilities and engages in value engineering as well as the construction of projects.”<sup>28</sup> Indeed, there was a vote on December 14, 2016, that involved Banks Contracting.<sup>29</sup> In short, as referenced within the BOE Minutes on that day and in the Inspector General’s Addendum, Chesapeake Parking Associates was a general partnership between Central Parking System of Maryland Inc. and Banks Contracting Company, Inc.<sup>30</sup> Chesapeake had a pre-existing contract with the City to manage the Water Street Garage. This vote was to renew that agreement for the fourth time through November 30, 2017 and approve an allocation. Along with all the other members of the BOE, Comptroller Pratt voted in favor of this contract renewal.

Comptroller Pratt did not have a conflict of interest with Banks Contracting when she voted on this matter. More than eight years ago, Pratt & Associates assisted Banks Contracting with its corporate income taxes and other general accounting services. However, Banks Contracting has not been a client of Pratt & Associates since 2011. As such, Comptroller Pratt did not have a conflict of interest when she voted on this matter on December 14, 2016.

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<sup>28</sup> See List of Banks Contracting Co.’s Projects, available at <http://bankscontracting.com/projects/>.

<sup>29</sup> Ex. I, pgs. 1 -3, Board of Estimates Meeting Minutes (December 14, 2016).

<sup>30</sup> *Id.* at pg. 3.

## 2. Coppin Heights Community Development Corporation

Coppin Heights Community Development Corporation (“Coppin Heights”) was established in 1995 by Coppin State University. Its self-identified mission is to be a “catalyst for suitable and affordable housing for low to moderate income residents and to stimulate economic development within neighborhoods immediately adjacent to [Coppin State University] . . . .”<sup>31</sup> Coppin Heights produces a bi-monthly newsletter in which its Executive Director provides an update of its revitalization efforts within the community.<sup>32</sup>

The Addendum referenced two votes that Comptroller Pratt took related to Coppin Heights. Those votes were on May 15, 2019 and September 18, 2019. Comptroller Pratt abstained from the first vote but not the second one. The second vote was related to the Community Catalyst Grant program which was created by the Maryland Department of Housing and Community Development.<sup>33</sup> On March 7, 2019, the Baltimore Mayor awarded thirty-five organizations a total of \$1,750,000 from the grant, and Coppin Heights was one of those grantees. The BOE was responsible for approving the grantee agreements, which included the terms for receiving those funds and the budgets for each project. Particularly, Coppin Heights would receive \$75,000 in funds to “hire a community organizer and office assistant and offset the director’s salary to support the Walbrook Lumber redevelopment initiative.”<sup>34</sup> The BOE voted unanimously to approve the agreements and project budgets.

Comptroller Pratt did not have a conflict of interest with Coppin Heights when she voted on the Community Catalyst Grant matter. Pratt & Associates never assisted Coppin Heights with its corporate taxes. However, the Coppin Heights Executive Director was one of its clients. Like the many clients that Pratt & Associates has assisted over the past two decades, Comptroller Pratt assisted the Executive Director with his individual taxes. However, Pratt & Associates discontinued its work with the Executive Director in roughly 2014 and has not re-engaged him since then. There was no conflict of interest with Coppin Heights.

## 3. Economic International Construction Company

Economic International Construction Company (“Economic International”) was formed in or around July 1994 for the purpose of providing construction management services. There were five matters that arose before the BOE that required a vote and were relevant to Economic International. Each of those votes were referenced in the Inspector General’s Addendum.<sup>35</sup> Comptroller Pratt abstained from three votes which occurred on October 4, 2017, May 16, 2018, and August 29, 2018. However, she did not abstain from two other votes.

The votes that she did not abstain from occurred on November 1, 2017 and July 11, 2018. Both were to approve contracts between the City’s Department of Public Works/Office of

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<sup>31</sup> See About the CHCDC, available at <https://coppinheightscdc.wordpress.com/about/>.

<sup>32</sup> Ex. J, February/March 2020 Newsletter, Coppin Heights Community Development Corporation, Inc.

<sup>33</sup> Ex. K, pg. 1, Board of Estimates Meeting Minutes (May 15, 2019).

<sup>34</sup> Ex. L, pgs. 4 and 7, Board of Estimates Meeting Minutes (Sept. 18, 2019).

<sup>35</sup> See Ex. D, pg. 5, Addendum.

Engineering and Construction and Metra Industries, Inc. (Water Contract No. 1314 and 1375).<sup>36</sup> These projects included the replacement of various water mains and appurtenances in the Oliver Neighborhood and at various places around the City. Economic International was referenced as an MBE subcontractor that would earn 9% on contract 1314 and 1.41% on contract 1375 of the total amount awarded under the contracts.<sup>37</sup> The BOE voted unanimously in favor of awarding the contracts to Metra Industries with Economic International as an MBE.

Although Economic International had previously been a client of Pratt & Associates, on the day of that vote Comptroller Pratt did not have a conflict of interest with Economic International. Pratt & Associates previously assisted Economic International with its corporate tax returns, but Pratt & Associates ended its professional relationship with Economic International as a client in or around 2013. There was no conflict of interest with Economic International when Comptroller Pratt voted for Water Contracts 1314 and 1375 on November 1, 2017 and July 11, 2018, respectively.

#### **4. Ball and Breckenridge Trucking Inc.**

Ball and Breckenridge Trucking Inc. (“Ball and Breckenridge”) was formed in April 2004 for the purpose of hauling stone, rock, dirt, and asphalt. There were only two matters that came before the BOE that were related to Ball and Breckenridge, and both votes were referenced in the Addendum.<sup>38</sup> Comptroller Pratt abstained from one of those votes on October 24, 2018, but properly voted on November 14, 2018.<sup>39</sup>

Based on the minutes from the BOE meeting, the subject matter of the November 14, 2018 vote is unclear. However, K&K Adams, Inc. is listed as the prime contractor while Ball & Breckenridge is identified as a WBE that K&K Adams, Inc. committed would earn at least 4% of the contract award. The vote was unanimous.

Despite including it on her LOA, Comptroller Pratt did not have a conflict of interest with Ball and Breckenridge on the day that she voted on the referenced matter. Indeed, like with other entities, Ball and Breckenridge was once a client of Pratt & Associates and, as such, Comptroller Pratt assisted with its corporate taxes. However, Pratt & Associates terminated this relationship in or around 2014, four years prior to her vote. Comptroller Pratt did not need to abstain from her vote on November 14, 2018 because there was no conflict of interest with Ball and Breckenridge.

#### **5. House of Restoration, LLC<sup>40</sup>**

Organized in 2005, the House of Restoration is a mentoring and tutorial program working with at-risk youth in the City through school programs, summer camps, and sports activities.<sup>41</sup> There were three matters involving House of Restoration that came before the BOE between

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<sup>36</sup> Ex. M, Board of Estimates Meeting Minutes (Nov. 1, 2017).

<sup>37</sup> *Id.*, pg. 16 (Jul. 11, 2018).

<sup>38</sup> See Ex. D, pg. 5, Addendum.

<sup>39</sup> Ex. N, pgs. 1, 6-8 and 18, Board of Estimates Meeting Minutes (October 24, 2018 and November 14, 2018).

<sup>40</sup> Ex. O, Articles of Organization of the House of Restoration, LLC (September 7, 2005).

<sup>41</sup> Ex. P, Certificate of Reinstatement (August 1, 2012). The House of Restoration LLC has changed its name to T.H.O.R. Learning Center LLC.



December 7, 2016 and October 30, 2019. Comptroller Pratt abstained on two of those matters which were voted on by the BOE on August 23, 2017 and October 30, 2019.<sup>42</sup>

On September 12, 2018, she voted on a matter related to the House of Restoration.<sup>43</sup> The vote was to approve the execution of an agreement between the City's Health Department and the House of Restoration. As a result of this agreement, the House of Restoration would be awarded \$55,000 to reach 500 adolescents in elementary schools and after school programs using the Making a Difference curriculum. The "Making a Difference" program is organized (and originally funded) by the federal Department of Health and Human Services. It is an abstinence approach to the prevention of STDs, HIV, and teen pregnancy.<sup>44</sup> Along with every other BOE member, Comptroller Pratt voted in favor of the agreement.

Comptroller Pratt did not have a conflict of interest with the House of Restoration when she cast her vote on September 12, 2018. The owner of House of Restoration was referred to Pratt & Associates around 2010 or 2011, and the firm prepared the taxes for the House of Restoration until 2016. That was the last year that Pratt & Associates served House of Restoration as a client. As with several of her former clients, Comptroller Pratt included the House of Restoration on her LOA out of an abundance of caution.

## 6. Legal Aid Bureau, Inc.<sup>45</sup>

Legal Aid is the largest provider of free legal services for low-income individuals in Maryland. It operates statewide across Maryland's twenty-three counties from its twelve offices. Legal Aid handles exclusively civil cases such as child custody, housing, public benefits, debt collection, and consumer rights, as well as criminal expungement matters.

The Addendum references a vote taken by Comptroller Pratt to approve federal grant funds to Legal Aid on July 10, 2019.<sup>46</sup> The minutes of the BOE meeting show that the vote was to "approve and authorize execution of the various Community Development Block Grant Agreements" in the amount of \$75,000.<sup>47</sup> The Community Development Block Grant emanates from the federal Department of Housing and Urban Development.<sup>48</sup> Legal Aid pledged to utilize the funds to provide "legal services and representation for low-income renters . . . at various Enoch Pratt Free libraries in Baltimore City."<sup>49</sup>

Comptroller Pratt had no conflict of interest at the time of this vote. As referenced above, prior to becoming the Comptroller for the City, she was the Comptroller for Legal Aid. However, she left Legal Aid in 1995 and has not had any connection to the organization for the last twenty-

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<sup>42</sup> Ex. Q, pgs. 1, 3-5 and 8, Board of Estimates Meeting Minutes (August 23, 2017) (October 30, 2019).

<sup>43</sup> *Id* at pg. 4.

<sup>44</sup> See <https://www.hhs.gov/ash/oah/grant-programs/teen-pregnancy-prevention-program-tpp/evidence-based-programs/making-a-difference/index.html>

<sup>45</sup> Also known as the Maryland Legal Aid (MLA). See <https://www.mdlab.org/about-us/>.

<sup>46</sup> Ex. D, pg. 4 and Exhibit 2, Addendum (March 19, 2020).

<sup>47</sup> Ex. R, pg. 13, Board of Estimates Meeting Minutes (Jul. 10, 2019).

<sup>48</sup> See HUD.gov Community Development, [https://www.hud.gov/program\\_offices/comm\\_planning/communitydevelopment](https://www.hud.gov/program_offices/comm_planning/communitydevelopment)

<sup>49</sup> Ex. R, pg. 13, Board of Estimates Meeting Minutes (Jul. 10, 2019).

five years. There was no conflict of interest with Legal Aid at the time that Comptroller Pratt voted in favor of the grant award.

**B. ALTHOUGH COMPTROLLER PRATT PREPARED PERSONAL TAX RETURNS FOR CERTAIN INDIVIDUALS ASSOCIATED WITH ENTITIES WITH MATTERS BEFORE THE BOE, SHE HAD NO INTEREST IN THOSE MATTERS AND HER DUTIES AS A TAX PREPARER DID NOT CONFLICT WITH HER OFFICIAL DUTIES.**

**1. Union Baptist Church – School, Inc.**

The Union Baptist Church – School, Inc. (“Union Baptist”) exists exclusively for charitable purposes and has administered the Union Baptist – Harvey Johnson Head Start program (“Union Head Start”) since 1966.<sup>50</sup> Union Head Start has served over 11,000 low-income children, helping them and their families with a range of educational, development, and wrap-around services.<sup>51</sup> The Office of Head Start is a federal unit housed within the U.S. Department of Health and Human Services and emanated from President Lyndon B. Johnson’s War on Poverty.<sup>52</sup> It administers federal grant funding and oversight to public agencies, school systems, and nonprofit and for-profit agencies in local communities that provide Head Start services.<sup>53</sup> The Office of Head Start funds the Baltimore City Head Start, which identifies Union Baptist as the subcontracted agency.<sup>54</sup>

Between December 7, 2016 and October 30, 2019, four items related to Union Baptist came before the BOE. Comptroller Pratt abstained from two votes that occurred on April 26, 2017 and February 14, 2018. However, she properly voted on June 7, 2017 and April 4, 2018. The June 7, 2017 matter was a request from the Mayor’s Office of Human Resources that the BOE vote to approve and authorize a two-month advance of funding for the Head Start Program to Union Baptist. The BOE voted unanimously in favor of providing this advance.<sup>55</sup> The April 4, 2018 matter was also from the Mayor’s Office of Human Services. This time, it requested that the BOE vote to approve an agreement between Union Baptist and the Office of Human Services allowing Union Baptist to provide “summer Head Start services to 51 children five days per week for eight weeks during the months of June through August for no less than seven hours per day.”<sup>56</sup> Each of these votes was unanimous.

Comptroller Pratt did not have a conflict of interest with Union Baptist when she voted on the matters on June 7, 2017 and April 4, 2018. Comptroller Pratt does not have an interest, financial

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<sup>50</sup> Ex. S, Articles of Incorporation for Union Baptist Church – School, Inc., *available at* <https://www.unionbaptistheadstart.org/about-us>

<sup>51</sup> Union Baptist-Harvey Johnson Head Start, About Us, <https://www.unionbaptistheadstart.org/about-us>

<sup>52</sup> Office of Head Start, What We Do, <https://www.acf.hhs.gov/ohs/about/what-we-do>; Office of Head Start, History of Head Start, <https://www.acf.hhs.gov/ohs/about/history-of-head-start>

<sup>53</sup> Office of Head Start, What We Do, <https://www.acf.hhs.gov/ohs/about/what-we-do>

<sup>54</sup> Baltimore City Head Start, Mayor’s Office of Human Services: Annual Report (2017-2018), <https://human-services.baltimorecity.gov/sites/default/files/Annual%20Report%202017-2018.pdf>; Mayor’s Office of Human Services’ Overview of Baltimore’s Head Start Program, <https://human-services.baltimorecity.gov/head-start>

<sup>55</sup> Ex. T, pgs. 5, 7 and 9, Board of Estimates Meeting Minutes (Apr. 26, 2017) (June 7, 2017) (February 14, 2018).

<sup>56</sup> *Id.*, pgs. 10 and 12, Board of Estimates Meeting Minutes (Apr. 4, 2018).

interest, or hold a position within Union Baptist that would raise a conflict of interest. She also has never acted as the accountant for Union Baptist. Starting in 2013, the former director of Union Baptist became a client of Pratt & Associates, and the firm assisted her with individual income taxes. Between 2013 and 2019, Pratt & Associates has continued to assist the former director with her individual income taxes. Thus, there was a contractual relationship of accountant and client between Pratt & Associates and the now-former director.

This contract did not lead to a conflict. First, the contract was between Pratt & Associates and the former director. Pratt & Associates has never completed the corporate tax returns for Union Baptist. Importantly, Union Baptist was a party to the matters before the BOE, not the former director. Second, Comptroller Pratt had no private interest in the matters that arose before the BOE. Third, the amount of revenue earned by Pratt & Associates from individual taxes is so small that it could not influence her vote on the BOE. Comptroller Pratt did not have a conflict of interest when she voted on these matters related to Union Baptist.

## **2. Horton Mechanical Contractors, Inc.**

Horton Mechanical Contractors, Inc. (“Horton”) is a contracting firm specializing in mechanical services such as industrial piping, power plants, and air conditioning.<sup>57</sup> There were nine matters that came before the BOE between December 7, 2016 and October 30, 2019 related to Horton. Comptroller Pratt abstained from three of those votes on December 21, 2016, May 10, 2017, and April 18, 2018. She properly voted on the remaining six.

The first vote related to Horton was on December 21, 2016. It was to renew an HVAC maintenance and repair services contract between several City agencies and J.F. Fischer, Inc. Horton was a designated MBE on this award.<sup>58</sup> The second vote was on April 26, 2017. There, the BOE voted to correct a contract renewal period for a previously awarded Baltimore Convention Center maintenance services contract to Honeywell Building Solutions SES Corporation. Horton was also an MBE on that initial award.<sup>59</sup> The third vote was on May 31, 2017, when the BOE again approved a renewal of an initial maintenance contract award upon which Horton was an MBE.<sup>60</sup> The fourth vote was on November 1, 2017. This was to approve an initial contract called the Northwest Transfer Station Building Renovations and Site Improvements.<sup>61</sup> Again, Horton was an MBE on this contract. The fifth vote was on November 8, 2017, and involving prequalifying Horton as an MBE.<sup>62</sup> Last, the sixth vote on February 14, 2018, involved an increase to the award on a maintenance and repair contract for plumbing and heating services.<sup>63</sup> Here, as with other contracts, Horton was listed as the MBE.

Under the Ethics Law, there were no actual conflicts of interest for any of the votes related to Horton. To be sure, until last year, Pratt & Associates had a contractual relationship to perform

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<sup>57</sup> Horton Mechanical Contractors, Inc.’s, Homepage, <http://horton-mechanical.com/>.

<sup>58</sup> Ex. U, pgs. 2, 4 and 13, Board of Estimates Meeting Minutes (Dec. 21, 2016).

<sup>59</sup> *Id.*, pgs. 14 and 21, Board of Estimates Meeting Minutes (Apr. 26, 2017).

<sup>60</sup> *Id.*, pgs. 28 and 35, Board of Estimates Meeting Minutes (May 31, 2017).

<sup>61</sup> *Id.*, pgs. 42 and 44, Board of Estimates Meeting Minutes (Nov. 1, 2017).

<sup>62</sup> *Id.*, pgs. 46 and 47, Board of Estimates Meeting Minutes (Nov. 8, 2017). The prequalification process is described within the Addendum on page 4.

<sup>63</sup> *Id.*, pgs. 49 and 52-54, Board of Estimates Meeting Minutes (Feb. 14, 2018).

individual income tax services for the owner of Horton. However, this did not create a conflict of interest because Pratt & Associates' services had nothing to do with the Horton matters before the BOE. Thus, Comptroller Pratt has no interest in those matters. Logically, individual income tax return services have no relation to maintenance and repair contracts or prequalification opportunities. Comptroller Pratt did not need to abstain from the votes related to Horton because there was no conflict of interest.

**C. THERE WAS NO CONFLICT OF INTEREST WITH ASSOCIATED BLACK CHARITIES BECAUSE COMPTROLLER PRATT SIMPLY HELD A NON-EXECUTIVE, NON-EMPLOYEE, UNCOMPENSATED POSITION AT THE ENTITY.**

Associated Black Charities, Inc. was founded in 1985 as a public foundation with the mission of upending structural racism and creating long-term solutions for African-Americans to financially thrive.<sup>64</sup> The organization receives grant funds from several sources, including United Way and charitable contributions from individuals.

The Addendum references a vote taken by Comptroller Pratt to approve federal grant funds to Associated Black Charities on February 15, 2017.<sup>65</sup> With that vote, the BOE approved a Notice of Grant Award from the U.S. Department of Health and Human Services and a two-month advance of funds to Associated Black Charities.<sup>66</sup> The advance of the funds were to “allow for continuity of the Ryan White Part A formula and Minority AIDS Initiative services while the scope of services and budgets are being reviewed and approved for the current program year.”<sup>67</sup>

At the time of the unanimous vote of the BOE on February 15, 2017, it does not appear that Comptroller Pratt had a conflict of interest with Associated Black Charities, even though she served in an advisory capacity on the Finance Committee of that organization.<sup>68</sup> Importantly, when assisting the Finance Committee in this manner, Comptroller Pratt did not receive any compensation, and was not considered an officer, executive, or employee of the charity.

The Ethics Law provides that an elected official “must disqualify himself or herself from any matter if . . . any business entity in which [] the public servant is a partner, officer, director, trustee, employee, or agent.” Comptroller Pratt’s position on Associated Black Charities’ Finance Committee does not qualify her as a “partner, officer, director, trustee, [or] employee” of the entity. And while the Ethics Law does not define the term “agent,” Maryland courts have consistently recognized that a critical aspect of agency is the authority to bind the entity in a contract with a third party.<sup>69</sup> Given that Comptroller Pratt does not have any executive, board, or

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<sup>64</sup> Associated Black Charities: About ABC, available at <http://www.abc-md.org/about-abc>.

<sup>65</sup> Ex. D, pg. 4 and Exhibit 2, Addendum (March 19, 2020).

<sup>66</sup> Ex. V, pgs. 19 - 21, Board of Estimates Meeting Minutes (Feb. 15, 2017).

<sup>67</sup> *Id.*, pg. 20, Board of Estimates Meeting Minutes (Feb. 15, 2017).

<sup>68</sup> Because of her commitment to the mission of Associated Black Charities, Comptroller Pratt continues to assist the Finance Committee to this day.

<sup>69</sup> *Dickerson v. Longoria*, 995 A.2d 721, 735 (Md. 2010) (“[A]n agency relationship, one person, the principal, can be legally bound by actions taken by another person, the agent.”); *Smith v. Merritt Sav. & Loan, Inc.*, 295 A.2d 474, 480 (Md. 1972) (explaining that even when an agent acts outside of its designated authority, it can still bind the

leadership position within Associated Black Charities, it is unlikely that she could be considered an agent of the entity. As someone who does not own any part of and is likely not an agent for Associated Black Charities, there is no reason to conclude that Comptroller Pratt needed to abstain from this vote. We have not located any authority or guidance that would have put Comptroller Pratt on notice that her uncompensated, advisory role with the Finance Committee would have qualified her as an “agent” for purposes of the Ethics Law.<sup>70</sup>

## VII. CONCLUSION

In our view, the Inspector General’s underlying investigation was deficient. Comptroller Pratt did not have any conflicts of interest with the entities listed in the Addendum when she voted on the identified matters. If the Inspector General had interviewed any representatives of the entities listed in its Addendum, or spoken with Comptroller Pratt about those entities, she would have recognized that Comptroller Pratt discontinued her professional relationship with most of the entities several years prior to her identified votes.

The Inspector General also should have recognized that Comptroller Pratt had no private interests in any of the matters referenced in the Addendum before the BOE. Over the years, Pratt & Associates has provided income tax services to scores of clients, the vast majority of whom are individual Baltimore residents. As one of the first African-American CPAs in the City, Comptroller Pratt has provided these services at an affordable fee to her clients. Importantly, these services had no relation to the matters referenced in the Addendum that came before the BOE.

Instead of completing a thorough investigation, the Inspector General and her staff simply compared Comptroller Pratt’s voluntarily disclosed LOA lists against her prior votes. As a result of that comparison, the Addendum implies (and allows the reader to incorrectly speculate) that Comptroller Pratt may have acted unethically. A fair and thorough review by the Inspector General’s Office would have concluded that, in fact, Comptroller Pratt did not vote on any matter in the Addendum in which she had a conflict of interest. As previously mentioned, the purpose of the Ethics Law is to guard against improper influence or the appearance of improper influence on the official duties of public servants. Our review of the votes identified in the Addendum concludes that neither was present.

Accordingly, we respectfully request that the Office of the Inspector General issue a Second Addendum to the Report that, incorporates this important information and corrects the misleading impression left by the Addendum.

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principal); *Curtis G. Testerman Co. v. Buck*, 667 A.2d 649, 653 (Md. 1995) (describing a scenario in which the President of a company was described as an agent because he could represent the company as a signatory to a contract).

<sup>70</sup> As the Addendum does not even address the Ethics Law, it appears that the Inspector General is also unaware of any such authority or guidance on this technical aspect of the conflict of interest rules.