



OFFICE OF THE INSPECTOR GENERAL  
Isabel Mercedes Cumming, Inspector General  
City Hall, Suite 635  
100 N. Holliday Street  
Baltimore, MD 21202



February 9, 2021

**Via Electronic Mail**

Andrew Jay Graham  
David J. Shuster  
Kramon & Graham, P.A.  
One South Street, Suite 2600  
Baltimore, MD 21202

Dear Mr. Graham and Mr. Shuster:

Please find the attached report for the investigation requested on July 20, 2020 by your client, State's Attorney (SA) Marilyn Mosby. The Office of the Inspector General completed the attached investigation into the travel, gifts and businesses of your client.

With regard to travel, the investigation found that between 2018 and 2019, SA Mosby traveled out-of-town in her official capacity to attend 24 events resulting in her being physically absent from Baltimore City for 85 days. The majority of the trips were not paid for using taxpayer dollars. The OIG's independent verification determined that the total cost of SA Mosby's sponsored trips taken in 2018 and 2019 were \$796.34 less than the amount she had reported on her State financial disclosures.

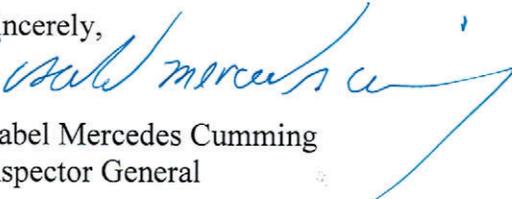
The investigation revealed that at least 15 of the 24 sponsored trips reported by SA Mosby were not submitted to the Board of Estimates (BOE) for approval. According to the City's Administrative Manual and internal Baltimore City State's Attorney's Office (BCSAO) policy, when certain travel conditions are met, elected officials must submit travel requests to the BOE for approval.

With regard to gifts other than travel, SA Mosby listed numerous gifts on her State financial disclosure forms; several listed on the 2018 form did not provide a value. The OIG found no evidence to indicate that any of SA Mosby's gifts had been auctioned at any past BCSAO event.

SA Mosby's three LLC companies were formed in 2019. Although the companies did not generate any revenue in 2019, they do appear to have been active, incurring \$7,650 in expenses that year.

It is not within the purview of the OIG to make a determination as to whether SA Mosby fully complied with the State Public Ethics Law, including the State's disclosure requirements. The OIG will defer any such finding to the Maryland State Ethics Commission.

Sincerely,

  
Isabel Mercedes Cumming  
Inspector General

Cc: Citizens of Baltimore City

**REPORT FRAUD, WASTE AND ABUSE**

HOTLINE: 443-984-3476/800-417-0430 EMAIL: [OIG@BALTIMORECITY.GOV](mailto:OIG@BALTIMORECITY.GOV) WEBSITE: [OIG.BALTIMORECITY.GOV](http://OIG.BALTIMORECITY.GOV)



## OFFICE OF THE INSPECTOR GENERAL BALTIMORE CITY

100 N. Holliday Street, Room 635  
BALTIMORE, MD 21202



### **FOR PUBLIC RELEASE** **REPORT OF INVESTIGATION**

**Date of Report: February 9, 2021**  
**Case #: 21-0008-I**

#### **Introduction**

On July 20, 2020, the Baltimore City Office of the Inspector General (OIG) received a letter from the Baltimore City State’s Attorney, Marilyn J. Mosby (SA Mosby), requesting an investigation into the information she disclosed to the Maryland State Ethics Commission on her State financial disclosures, which included her travel, companies, and gifts (Exhibit 1).<sup>1</sup> SA Mosby’s letter cited a news article published by the *Baltimore Brew*,<sup>2</sup> which SA Mosby alleged painted a misleading picture of her travel and finances and the requirements of the Maryland Public Ethics Law.

SA Mosby made the request for the purpose of showing that she had “abided by the ethical rules and regulations and ha[s] been fully transparent about any gifts, travel, or other financial activity.” This broad request encompassed several topics of investigation. First, it encompassed her travel, some of which she had claimed as gifts on her financial disclosure statements. Second, it encompassed other gifts she had reported on her financial disclosure statements. Third, her request encompassed an investigation into three of her companies. Finally, SA Mosby requested the OIG give an opinion as to whether she was in full compliance with the Maryland Public Ethics Law, including the State’s financial disclosure requirements.

#### **Scope of Investigation**

The OIG is a City agency established in Article X of the City Charter. The OIG’s primary investigative jurisdiction involves City officials, employees, and contractors, but it may also investigate “potential violations of laws or regulations by any . . . external recipient of City funds, benefits, or services.”<sup>3</sup> The State’s Attorney for Baltimore City is a State elected official established in Article 5 of the State Constitution. Accordingly, the position falls under the State’s Public Ethics Law, not the City’s.<sup>4</sup> Therefore, SA Mosby’s request for the OIG to opine on whether she has fully complied with the State Public Ethics Law—including whether she

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<sup>1</sup> State of Maryland financial disclosures are publicly accessible online at: <https://efds.ethics.maryland.gov/>

<sup>2</sup> <https://baltimorebrew.com/2020/07/16/the-peripatetic-prosecutor-marilyn-mosby-took-23-trips-in-2018-and-2019-pocketing-30000-in-reimbursements/>

<sup>3</sup> Baltimore City Charter, Article X, § 3 (c)(6).

<sup>4</sup> Md. Code Ann., General Provisions Art., §§ 5-101 *et seq.* (Maryland Public Ethics Law) and City Code, Article 8 (Baltimore City Public Ethics Law).

disclosed all that was required—is outside of the OIG’s jurisdiction; the State Ethics Commission is the appropriate authority to make that determination.

However, the City spent more than \$70 million in general funds on the Baltimore City State’s Attorney’s Office (BCSAO) during calendar years 2018 and 2019, and SA Mosby’s salary is paid for by the City, which makes both the BCSAO and her position a “recipient of City funds.” Accordingly, the OIG agreed to SA Mosby’s request for a full investigation into her travel, gifts, and financial activity related to her businesses.

### **Methodology**

In her request letter, SA Mosby stated that she was “willing to share with [the OIG] “any and all documentation [the OIG] request[s], including bank account statements, credit card statements, and inner-office financial ledgers.” On July 30, 2020, the OIG met with SA Mosby for an interview. During the interview, the OIG requested documents from 2017 through 2019. SA Mosby requested the years of review be limited to only two years, noting that media outlets had only questioned her 2018 and 2019 travel. The OIG focused solely on 2018 and 2019 records (Exhibit 2). Separately, the OIG requested records from the Baltimore City State’s Attorney’s Office (BCSAO).

Shortly after this interview, the OIG was informed that SA Mosby had procured private counsel from the law firm Kramon & Graham, P.A., to represent her during the investigation she had requested. All subsequent communications, including records requests, went through SA Mosby’s counsel. The OIG independently requested and/or subpoenaed source travel documents directly from the sponsoring organizations and/or hotels, some of which are located around the world. SA Mosby’s counsel asked the OIG to publish all written communications between the OIG and counsel in this report; those communications are contained in Exhibit 3.

The OIG investigation included reviewing thousands of pages of documents, including the following non-exhaustive list:

- Work emails for SA Mosby and other BCSAO staff
- SA Mosby’s redacted work calendars
- Hotel, flight and other financial records related to travel
- BCSAO credit card records
- City and BCSAO internal policies and procedures
- Redacted versions of SA Mosby’s 2019 personal tax return<sup>5</sup>
- SA Mosby’s 2019 redacted personal bank and credit card statements<sup>6</sup>
- List of BCSAO Winter Solstice auctioned items
- SA Mosby’s telephone records from 2018 and 2019

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<sup>5</sup> Although requested by the OIG, SA Mosby did not provide her 2018 tax return.

<sup>6</sup> The OIG agreed to SA Mosby redacting transactions from her bank and credit card statements that were unrelated to the trips in question.

## **SA Mosby's Travel**

### *A. SA Mosby's Sponsored Trips<sup>7</sup>*

On her 2018 and 2019 State financial disclosures, SA Mosby reported 23 trips taken during those years that were sponsored/paid for by outside organizations or the City, at a reported total value of \$27,811.99. According to SA Mosby's counsel, all of the trips were at the request of the sponsoring organization. Records provided by SA Mosby indicate that she attended the events as a billed participant,<sup>8</sup> speaker, panelist, or otherwise participated in policy discussions with other law enforcement officials. On the relevant disclosures, SA Mosby separated travel from other gifts in "Schedule D: Gifts." The disclosures are unclear as to which expenses were paid for by sponsoring organizations, which by the City, and which by SA Mosby herself.

SA Mosby's counsel provided the OIG with a travel list compiled by SA Mosby and her staff containing updated details about SA Mosby's sponsored trips, including travel companions and corrections<sup>9</sup> to the information included in the State disclosure forms (Exhibit 4). On the travel list, SA Mosby reported 24 trips in 2018 and 2019, with expenses totaling \$27,538.53.<sup>10</sup> The categorical breakdown of these expenses is as follows: \$23,965.64 in travel expenses from sponsoring organizations; \$1,737.50 in expenses paid for directly by the BCSAO/City; and \$1,835.39 in reimbursements to SA Mosby.

The travel list revealed an additional sponsored trip that was not on SA Mosby's State financial disclosure. In 2019, SA Mosby traveled to the Salamander Resort & Spa (Salamander Resort) in Middleburg, Virginia,<sup>11</sup> which was sponsored by the Vera Institute for Justice (Vera Institute). On her travel list, SA Mosby indicated that not reporting this trip on her State financial disclosure was an "[e]rror on ethics form." According to records, SA Mosby was at the Salamander Resort for three paid workdays between August 28, 2019 and August 30, 2019. The travel list states that the trip cost \$1,202 and was paid for by the Vera Institute.

The OIG gathered additional details about this trip since its non-reporting was considered an "[e]rror." The agenda indicated that it was a wellness spa retreat for selected elected prosecutors from around the country (Exhibit 5). The agenda included group events centered around "[h]olistic health and wellness," "[s]trategies to combat attacks," and "[s]pa and individual

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<sup>7</sup> This report considers "sponsored trips" to be travel sponsored and paid for, in full or in part, by outside organizations or the City.

<sup>8</sup> According to the Maryland Public Ethics Law, a state official may accept gifted food, travel, lodging, or scheduled entertainment in return for participation on a panel or a speaking engagement. Md Code Ann., General Provisions Article, §5-505(c)(2)(vi).

<sup>9</sup> SA Mosby reported that she did not stay overnight during an official trip to Cambridge, MD from November 8<sup>th</sup> to November 9<sup>th</sup>, 2018. The OIG found that the City paid the cost of the hotel for SA Mosby and so the cost is included in the total calculated cost of the trips.

<sup>10</sup> This amount includes corrections made to travel expense/reimbursement amounts reported on the travel list.

<sup>11</sup> According to its website, the Salamander Resort & Spa describes itself as a "Forbes Five-Star resort...and the epitome of luxury." The website also says it is "[t]ruly dedicated to health and wellness." See <https://www.salamanderresort.com/about-us>

wellness coaching sessions.” The OIG obtained records subpoenaed directly from the Salamander Resort indicating that the Vera Institute paid the \$803.62 cost of SA Mosby’s hotel room for two nights and SA Mosby personally paid \$309.13 in other expenses. The OIG also noted that this trip took place immediately after SA Mosby’s return to the United States after five days abroad in Kenya. SA Mosby had flown from Hamad International Airport in Qatar to Dulles International Airport in Washington, DC, and proceeded directly to the Salamander Resort. SA Mosby’s work calendar indicated that the Executive Protection Unit—SA Mosby’s personal protective detail, provided by the Baltimore Police Department—traveled to Dulles to pick her up and take her to the Salamander Resort in Virginia. Two days later, EPU returned to pick her up from the resort and bring her back to Baltimore.

Another trip the OIG needed clarification from SA Mosby was from August 7, 2019 to August 9, 2019 in Bloomington, Minnesota. According to the letter inviting her to the event, SA Mosby was scheduled to speak at the A. Philip Randolph Institute’s (APRI) National Education Conference for 15-20 minutes, and had the opportunity to participate in other sessions and workshops. SA Mosby was joined on the trip by her spouse, who also spoke at the event, and their children. SA Mosby told the OIG that initially she and her spouse were not going to attend the conference because the event occurred at the same time as her child’s birthday. SA Mosby said that APRI offered to pay for her children to attend the conference because it was partly focused on youth. The total cost of airfare, hotel and meals for SA Mosby and her family was \$1,672.40. All expenses were paid for by APRI.

Independent from the materials received from SA Mosby, the OIG contacted all sponsoring organizations for SA Mosby’s 24 trips and received documentation to substantiate the expenses for 23 of them. According to this documentation, sponsoring organizations paid \$23,693 in upfront costs and direct reimbursements to SA Mosby for 19 of the 23 trips, and the BCSAO paid \$3,322.65 in full or partial costs for six of the 24 trips, including one \$55 direct reimbursement by the City to SA Mosby. As of the date of this report, one sponsoring organization, the Harvard Women’s Law Association, did not respond to numerous OIG requests for financial records related to SA Mosby’s October 2018 trip. Accordingly, the OIG was unable to independently verify the costs of this trip, which SA Mosby reported as \$500.52 in gifted travel expenses.

Table 1 summarizes the travel costs for all sponsored trips taken by SA Mosby in 2018 and 2019, as compiled by the OIG from the records and other documentation received directly from the sponsoring agencies.

Table 1: Summary of SA Mosby's 2018 and 2019 Travel, as Verified by the OIG<sup>12</sup>

Calendar Year	Total # of Trips	Total Days Traveling/Out-of-town	Total Amount Paid Directly by Organizations	Total Amount Reimbursed to Mosby by Organizations	Total Amount Paid Directly by City/BCSAO	Total Amount Reimbursed to Mosby by City/BCSAO	Subtotal
2018	7	19	\$3,069.43	\$159.58	\$191.95	\$0.00	\$3,420.96
2019	17	66	\$18,659.51	\$1,804.48	\$3,075.70	\$55.00	\$23,594.69
<b>Grand Total</b>	<b>24</b>	<b>85</b>	<b>\$21,728.94</b>	<b>\$1,964.06</b>	<b>\$3,267.65</b>	<b>\$55.00</b>	<b>\$27,015.65</b>

*B. Discrepancies in Costs for SA Mosby's Sponsored Trips*

The OIG's investigation revealed slight discrepancies between the sponsored trip expenses reported by SA Mosby in her 2018 and 2019 State financial disclosures, those in the updated travel list provided by SA Mosby's counsel to the OIG, and those in the independent OIG verification. Table 2 summarizes these discrepancies.

Table 2: Summary of Total Cost of Sponsored Travel by Source

Calendar Year	Total Cost from State Financial Disclosure (23 trips)	Total Cost from Travel List Provided to OIG (excluding amounts reported as not reimbursed) (24 trips)	Total Cost from Documents Obtained by the OIG from Sponsoring Organizations/City <sup>13</sup> (24 trips)
2018	\$3,449.33	\$3,290.05	\$3,420.96
2019	\$24,362.66	\$24,248.48	\$23,594.69
<b>Grand Total</b>	<b>\$27,811.99</b>	<b>\$27,538.53</b>	<b>\$27,015.65</b>

On her financial disclosures, SA Mosby reported 23 sponsored trips during 2018 and 2019 at a cost of \$27,811.99. In the travel list provided to the OIG, SA Mosby reported 24 sponsored trips during 2018 and 2019 at a cost of \$27,538.53. In other words, SA Mosby added a sponsored trip on the travel list, but the overall cost of the trips decreased by \$273.46.

This discrepancy results from various corrections made in the travel list to the amounts listed in the financial disclosures. The amounts in the travel list reflect the subtraction of expenses for which SA Mosby claims she had not actually been reimbursed. In sum, the cost for nine trips reported in the State financial disclosures were changed in the travel list provided to the OIG (Exhibit 6).

<sup>12</sup> This table includes one trip in October 2018 for which responsive records for costs were not provided by the sponsoring organization, the Harvard Women's Law Association (HWLA). The table includes the \$500.52 cost of the trip reported by SA Mosby.

<sup>13</sup> The total cost for 2018 in this column reflects the unverified \$500.52 reported cost of SA Mosby's HWLA trip.

*C. City Policy for Official Business Trips*

In accordance with SA Mosby's request for the OIG to conduct a full investigation into her travel, the OIG investigated whether SA Mosby's official business travel complied with the City and BCSAO's rules and regulations. The OIG's investigation found that the out-of-town trips did not comply with the relevant travel policies and procedures.

According to the City's Administrative Manual<sup>14</sup> (AM) and internal BCSAO policy (Exhibit 7), travel must be submitted for approval to either the agency head or the Board of Estimates (BOE), depending on conditions such as the cost of the trip, length of absence, and location of travel; the source or type of funds used to pay for the travel has no bearing on the level of approval required. An agency head can approve travel and related costs up to \$800. However, travel that costs more than \$800, as well as any travel outside of the continental United States regardless of source of funds or cost of trip, must be approved by the BOE.<sup>15</sup> Additionally, BOE approval is required if the official's absence exceeds five workdays or involves one or both weekend days. The process of submitting travel requests in advance to the BOE is to ensure accountability and transparency.

The OIG found that SA Mosby did not request BOE approval for any of her 24 trips. However, at least 15 of those trips required advance BOE approval under BCSAO/City policy. Eleven of the trips cost more than \$800, including three trips to four countries outside of the continental United States. Additionally, four of the trips cost less than \$800, but included travel on a weekend day.

The investigation revealed that SA Mosby had sought and received approval from the BOE for other out-of-town travel prior to 2018. On at least three separate occasions from 2015 to 2017, SA Mosby submitted out-of-town travel requests to the BOE. Each of the three requests indicated that City general funds were used to cover the cost of the trip and two of the three indicate a City-issued credit card assigned to the BCSAO Community Outreach Supervisor was used to pre-pay travel costs. The OIG found at least one trip in 2019 cost the City more than \$800 and was paid for using the credit card assigned to the Community Outreach Supervisor; however, the trip was not submitted to the BOE.<sup>16</sup>

*D. SA Mosby's Tax Write-Offs for Travel Expenses*

As part of its full investigation into SA Mosby's travel, the OIG reviewed the Employee Business Expenses form (Form 2106) of SA Mosby's 2019 federal tax return, which she provided to the OIG. SA Mosby claimed \$2,714 in travel expenses away from home (not including meals); \$3,428 in business expenses (not including travel or meals); and \$1,781 in meal expenses, for a

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<sup>14</sup> Baltimore City Administrative Manual, AM 240-1

<sup>15</sup> Baltimore City Administrative Manual, AM 240-3

<sup>16</sup> The OIG noted that in a few recent BOE agendas in 2021, the BCSAO has been submitting retroactive travel requests for some of its employees. These travel requests appear to have been for BCSAO employee travel that took place nearly two years ago. However, none of the retroactive requests appear to be for SA Mosby's trips.

total amount of \$7,923. Each of the three categories of expenses were reported as out-of-pocket costs SA Mosby personally incurred related to her job as State's Attorney. The OIG requested the transactions comprising the \$7,923 in expenses reported on SA Moby's Form 2106 to confirm she had not deducted travel expenses for which she was reimbursed. SA Mosby's counsel agreed to provide documentation for \$2,714 in travel expenses and \$1,781 in meal expenses, but would not provide documentation for the remaining \$3,428 in business expenses.<sup>17</sup>

SA Mosby's counsel provided 134 transactions included in redacted bank and credit card statements totaling \$5,904.13 that they said comprised the \$4,495 of combined travel and meal expenses for which SA Mosby was not reimbursed. However, the amount of expenses provided was \$1,409.13 more than what she claimed for travel and meals. Despite numerous requests by the OIG for clarification on exactly which transactions provided were included on her tax return, no additional detail or information was ever provided. According to her counsel's October 26, 2020 letter, SA Mosby had, "received merely \$642.64 in direct reimbursements from various organizations for out-of-pocket expenses plus an additional \$1,192 per diem," but had not been reimbursed for \$2,714 in travel expenses and \$1,781 in meal expenses, a total of \$4,495. The OIG review found SA Mosby was reimbursed for \$584.73 worth of expenses that were included with those transactions provided by her counsel; however, because no additional detail was provided, the OIG could not definitively ascertain which expenses SA Mosby had reported on Form 2106.

#### *E. Other Travel*

As part of its "full investigation into [SA Mosby's] travel and financial disclosures," the OIG investigated SA Mosby's travel in total, including travel that was not on SA Mosby's financial disclosures or on the travel list provided to the OIG. In addition to the sponsored trips discussed above, the OIG found that SA Mosby traveled out of town on an additional 59 workdays during 2018 and 2019 (Exhibit 8).

According to the Baltimore City Department of Human Resources, there are no formal policies or rules governing time, attendance, or leave for elected officials in Baltimore City. SA Mosby's timecard from 2018 through 2020 indicates that she has a workday of 8:30am to 4:30pm, including all holidays.

#### **Gifts Other than Travel**

SA Mosby reported on her State financial disclosures that she received 41 gifts other than travel-related expenses during 2018 and 2019.<sup>18</sup> In 2018, SA Mosby reported having received 33 gifts from organizations and individuals; however, she reported the value for only 5 of the 33 gifts, which totaled \$1,111.02. The value of the remaining 28 gifts was listed as either "unknown"

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<sup>17</sup> SA Mosby's counsel said the remaining \$3,428 in business expenses "falls well beyond the scope of [the OIG] investigation, we do not perceive the need to provide you with additional proof of her tax deductions unrelated to travel."

<sup>18</sup> A portion of the gifts include multiple items reported as one gift.

or left blank. In 2019, SA Mosby reported having received eight gifts from different organizations and individuals, with a total value of \$424.45.

According to emails by SA Mosby, “[t]he majority of gifts the State’s Attorney has received and reported are donated to the BCSAO auction during our Winter Solstice celebration, where we raise money for victims of crime.” The BCSAO has organized a Winter Solstice event around December of each year SA Mosby has been in office. The OIG requested from SA Mosby and the BCSAO all documentation to substantiate the reported gifts had been auctioned during these events; however, no such documentation was provided. Instead, the OIG was provided with a list containing two gifts SA Mosby received in 2018 that she said were donated to “Crime Control and Prevention Youth” and five other gifts received between 2018 and 2019 indicated as being “[s]lated to be auctioned in BCSAO Solstice Event Benefit for victims of crime” (Exhibit 9).

After asking for clarification as to whether any gifts had actually been donated and auctioned, SA Mosby’s counsel informed the OIG in a September 29, 2020 letter that SA Mosby had returned two of the gifts, a CBD set and a candle holder, to the organizations that had gifted them to her. The OIG obtained a list of all items that were reportedly donated for the Winter Solstice auctions in 2018 and 2019. SA Mosby is not listed as a donor and nothing on either auction donation list matches any gift listed on SA Mosby’s 2018 and 2019 State financial disclosures. The OIG found no evidence that any of the gifts she has received had been donated and auctioned at a past Winter Solstice event.

Upon seeking additional records related to gifts where no value was reported, SA Mosby’s counsel responded that she had over-reported her gifts and claimed that one of the gifts was a birthday gift from a childhood friend of her spouse. The OIG was not provided with any documentation or further explanation for the gifts whose value had not been reported.

### **SA Mosby’s Businesses**

On May 29, 2019, SA Mosby registered three business entities under her name with the State of Maryland: Mahogany Elite Enterprises, LLC; Mahogany Elite Travel; and Mahogany Elite Consulting. On the filing documents, SA Mosby states that Mahogany Elite Enterprises is a holding company for multiple businesses, Mahogany Elite Travel offers traveling hospitality services, and Mahogany Elite Consulting is a consulting and legal services business.<sup>19</sup> SA Mosby told the OIG that her companies have no clients and have not generated any revenue since she registered them. She also told the OIG that she set up the companies “to help underserved black families who don’t usually have the opportunity to travel outside of urban cities, so they can vacation at various destinations throughout the world at affordable rates.”

SA Mosby did not report her ownership of these companies on her initial 2019 State financial disclosure form. SA Mosby’s told the OIG that her initial 2019 disclosure was filed by

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<sup>19</sup> This report collectively refers to SA Mosby’s three businesses as “Mahogany Elite.” Business registration records are available at: <https://egov.maryland.gov/BusinessExpress/EntitySearch>

a former chief of staff on January 30, 2020, after SA Mosby reviewed it. The OIG interviewed this former chief of staff; she informed the OIG that she had no knowledge of the companies and that she never heard SA Mosby mention them. SA Mosby told the OIG that the chief of staff left City employment shortly after she submitted the disclosure on January 30, 2020. SA Mosby said that approximately five months later, she was alerted that media had reviewed her 2019 disclosure form, which prompted her to review it and realize that her businesses had been left off. According to SA Mosby, upon realizing she did not disclose her businesses, she asked another BCSAO employee to submit an amended disclosure on her behalf to include Mahogany Elite, which was submitted on July 2, 2020.

The investigation found no evidence of revenue or income related to SA Mosby's companies since their inception. Although a redacted copy of Schedule C of SA Mosby's 2019 personal tax return confirmed that the companies had not generated any revenue, it does report that the business incurred \$5,000 in expenses in 2019. According to Schedule C of SA Mosby's 2019 federal tax return, she claimed \$5,000 in expenses directly related to Mahogany Elite, which consisted of \$3,795 for business travel and \$1,205 for legal and professional services. Moreover, SA Mosby answered "Yes" on Line G of Schedule C to indicate that she "materially participate[d] in the operation of this business during 2019."<sup>20</sup>

The OIG reviewed the redacted bank and credit card records provided by SA Mosby which she claimed detailed these business expenses. Her records indicate that she spent \$7,651.27 directly related to her companies.<sup>21</sup> SA Mosby provided a list of 25 transactions which included airlines tickets, rental cars and meals at various restaurants outside of Maryland. Despite numerous requests by the OIG for clarification on exactly which transactions provided were included in her \$5,000 reported business loss, no additional detail or information was ever provided.

Two of the purchases expensed to her business were airfare for SA Mosby and her spouse to fly from San Jose, California to Tampa, Florida. As background to this travel expense, SA Mosby explained to the OIG that she and her spouse had flown from Baltimore to Minneapolis on July 21, 2019 to participate in a conference sponsored by the United Steelworkers (USW). According to records, the USW paid for SA Mosby and her spouse's flight, and covered the cost of hotel and meals. Then, after the USW conference ended on July 24, 2019, the USW paid for SA Mosby and her spouse to fly to San Jose instead of returning to Baltimore. SA Mosby attended a meeting hosted by the Association of Prosecuting Attorneys (APA) in San Jose. BCSAO records indicate that the BCSAO/City paid for SA Mosby's hotel. SA Mosby and her spouse were there from July 24<sup>th</sup> to July 26<sup>th</sup>, 2019.<sup>22</sup> At the end of the APA meeting on July 26<sup>th</sup>, SA Mosby and her spouse then flew from San Jose to Tampa. SA Mosby included both her and her spouse's airfare to Tampa in the list of expenses she claimed comprised her Mahogany Elite deductions on

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<sup>20</sup> Internal Revenue Service instructions for Line G of Schedule C can be found at: <https://www.irs.gov/pub/irs-prior/i1040sc--2019.pdf>.

<sup>21</sup> According to SA Mosby's counsel, she only reported \$5,000 of this amount because it was believed \$5,000 was the legal maximum amount of business expenses she could deduct.

<sup>22</sup> The trip to San Jose, CA was one of the 24 official trips reviewed by the OIG.

Mahogany Elite deductions on Schedule C. SA Mosby also told the OIG her businesses have no employees, contractors, or clients.

### **Conclusion**

SA Mosby's broad request for an OIG investigation encompassed the travel and gifts she had reported on her 2018 and 2019 State financial disclosure forms, as well as other travel during that period. The investigation request also encompassed SA Mosby's businesses. With regard to travel, the investigation found that between 2018 and 2019, SA Mosby traveled out-of-town in her official capacity to attend 24 events and was physically absent from Baltimore City for 85 days. Those trips took SA Mosby around the United States, and on three different occasions, around the world. The majority of the trips were not paid for using taxpayer dollars. Nearly \$23,700 of the \$27,015 total cost of these trips was paid for by sponsoring organizations. Six of the 24 trips were paid for in full or in part by the BCSAO/City. The OIG found discrepancies between the travel reported on SA Mosby's State financial disclosure forms, the travel list she provided to the OIG, and the OIG's independent verification of costs. Amounts and details vary between these two sources, as well as between these sources and the OIG's independent verification of costs. The OIG's independent verification determined that the total cost of SA Mosby's sponsored trips taken in 2018 and 2019 were \$796.34 less than the amount she had reported on her State financial disclosures.

According to the City's AM and internal BCSAO policy, when certain travel conditions are met, elected officials must submit travel requests to the BOE for approval. The investigation revealed that at least 15 of the 24 sponsored trips reported by SA Mosby met such conditions but none appear to have been submitted to the BOE for approval.

With regard to gifts other than travel, SA Mosby listed a number of gifts on her 2018 and 2019 financial disclosure forms; many of those listed on the 2018 form do not provide a value. SA Mosby's spokesperson publicly stated that any gifts she received in 2018 and 2019 had been donated to the BCSAO Winter Solstice auction. However, the OIG found no evidence indicating that SA Mosby had donated a single gift to any past auctions.

Turning to SA Mosby's companies, although it appears the companies did not generate any revenue in 2019, they do appear to have been active, incurring \$7,650 in expenses that year. These expenses included airline tickets and travel for SA Mosby and others. Additionally, according to her tax filing, SA Mosby reported a business loss of \$5,000, and indicated she had "materially participate[d]" in the operation of Mahogany Elite in 2019.

Finally, it is not within the purview of the OIG to make a determination as to whether SA Mosby fully complied with the State Public Ethics Law, including the State's disclosure requirements. The OIG will defer any such finding to the Maryland State Ethics Commission.

EXHIBIT LIST

1. Request for an OIG investigation letter
2. Original and updated OIG records request letter to SA Mosby
3. Correspondence between OIG and Kramon & Graham
4. Travel list provided by SA Mosby's counsel
5. Vera Institute event agenda and calendar notes
6. Expanded cost of each trip by source
7. Internal BCSAO travel policy
8. OIG's 2018 and 2019 calendar of out-of-town travel
9. List of items for auction and list of SA Mosby's donated gifts