



PRESS RELEASE

VIGNARAJAH DEMANDS FORENSIC AUDIT OF ARPA FUNDS

“The Mayor has treated a once-in-a-century gift as a political slush fund. Squandering \$641 million is the biggest, most unforgivable mistake of an administration that has become synonymous with incompetence.”

BALTIMORE. February 22, 2024.

Today, at 12 PM, at 111 S. Calvert Street (19th Floor), Democratic mayoral candidate and former Deputy Attorney General Thiru Vignarajah will condemn the Mayor’s total mismanagement of \$641 million in American Rescue Plan Act (ARPA) funds—that includes *both* the lack of timely and transparent spending as the City nears a critical federal deadline that, if missed, will cost Baltimore the remainder of the funds *and* the use of taxpayer dollars as a political slush fund to repay donors and developers and curry favor with special interests.

The public deserves to know more about this major expenditure, and the campaign is prepared to send in advance its presentation slides to all outlets that expect to attend the press conference or report on the issue. Please make that request directly to press@votethiru.com.

Concerned the public is oblivious to how hundreds of millions in federal funds are being spent, Vignarajah will lead a presentation that outlines (a) where the money is headed and how much still has to be spent; (b) the list of nonprofits that were selected (who knows how?) to receive funds; (c) examples of the Mayor repaying political favors and campaign donations; and (d) illustrations of what other cities did with their federal allotment.

“The Mayor has frittered away a once-in-a-century opportunity, padding agency budgets, repaying favors to donors and developers, and feeding pet projects and special interests,” said Vignarajah. “Squandering \$641 million is this Mayor’s biggest, most unforgivable mistake.”

Here are a couple examples that will be discussed:

- Mayor Scott gave \$5 million to Seawall Development (Lexington Market) whose owners donated thousands in campaign contributions to the Mayor.

- Mayor Scott gave [\\$2 million to SEIU](#) whose PAC has donated thousands to his campaigns.

This is the same Mayor who gave \$2.2 million to the deputy mayor's husband, who donated to his reelection campaign and whose downtown venue hosted the Mayor's reelection fundraiser.

Perhaps the only thing that may be worse is not spending the money at all. Baltimore is at risk of that, since less than half the funds—some \$254 million—have been formally committed, which means the City has only until December to obligate hundreds of millions more in federal funds.

At the press conference, Vignarajah will make three demands of the Mayor:

- Launch an independent forensic audit right now of how the funds are being spent.
- Stop obligating funds in May 2024 in the event the Mayor loses the Democratic primary and allow the winner of the Democratic primary to convene a public commission to decide on how the remainder of the funds should be obligated, which could take place during a special session of the Board of Estimates in December after the next Mayor takes office and before the December 31 deadline.
- Explain publicly how allocations were made and by whom with a specific focus on how certain nonprofits and not others were chosen and why Lexington Market got \$5 million.

Vignarajah will also make two pledges himself:

- Appoint a Special Counsel in first 30 days to investigate diversion and mismanagement of funds, referring misconduct for prosecution, reclaiming misspent or unspent funds for better use, and issuing a public report within 90 days.
- Forbid campaign donors from applying for city procurement contracts except with respect to projects subject to blind competitive bidding.

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