

Audit Report

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**Department of Public Safety and Correctional Services  
Division of Parole and Probation**

November 2010

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**OFFICE OF LEGISLATIVE AUDITS**  
DEPARTMENT OF LEGISLATIVE SERVICES  
MARYLAND GENERAL ASSEMBLY

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**DEPARTMENT OF LEGISLATIVE SERVICES**  
**OFFICE OF LEGISLATIVE AUDITS**  
**MARYLAND GENERAL ASSEMBLY**

**Karl S. Aro**  
Executive Director

November 17, 2010

**Bruce A. Myers, CPA**  
Legislative Auditor

Senator Verna L. Jones, Co-Chair, Joint Audit Committee  
Delegate Steven J. DeBoy, Sr., Co-Chair, Joint Audit Committee  
Members of Joint Audit Committee  
Annapolis, Maryland

Ladies and Gentlemen:

We have audited the Division of Parole and Probation (DPP) of the Department of Public Safety and Correctional Services for the period beginning November 1, 2006 and ending December 13, 2009. DPP's responsibilities include supervising individuals placed under parole or probation and reporting violators to either the Maryland Parole Commission or the sentencing court. DPP is also responsible for the administration of the Drinking Driver Monitoring Program (DDMP), which monitors individuals placed on probation by Maryland's courts for drinking or drugged driving offenses.

Our audit disclosed that DPP had not adequately reconciled cash balances on its automated computer system with the corresponding balances in the State's accounting records. With respect to the Drinking Driver Monitoring Program, we noted that DPP's procedures and controls over the monitoring of cases requiring the installation and use of an ignition interlock device as a condition of probation need improvement. For example, DPP did not always obtain monitoring reports on the use of these devices, as required. DPP also needs to obtain clarification of its responsibilities for reporting ignition interlock violations to the courts.

The response to this audit from the Department of Public Safety and Correctional Services, on behalf of DPP, is included as an appendix to this report. We wish to acknowledge the cooperation extended to us during the audit by DPP.

Respectfully submitted,

Bruce A. Myers, CPA  
Legislative Auditor



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\* Denotes item repeated in full or part from preceding audit report

## **Background Information**

### **Agency Responsibilities**

The Division of Parole and Probation (DPP) of the Department of Public Safety and Correctional Services supervises the conduct of parolees and regularly informs the Maryland Parole Commission of parolee activities. DPP also conducts investigations for the Commission and the courts, and performs probationary services for the Circuit and District Courts of Maryland. When requested by the Governor, DPP conducts investigations of persons who have applied for pardon or commutation of sentences or clemency. Furthermore, DPP administers the Drinking Driver Monitor Program (DDMP), a specialized monitoring service for individuals convicted of driving while intoxicated or driving under the influence of alcohol or drugs. Finally, DPP is responsible for the collection and disbursement of fines, costs, fees, and restitution funds assessed in certain court cases. According to DPP records, during fiscal year 2009, these collections and disbursements totaled approximately \$22.7 million and \$23.3 million, respectively.

DPP's headquarters is located in Baltimore, Maryland, with four regional offices located in Baltimore, Upper Marlboro, Easton, and Frederick. The regional offices monitor and supervise the operations of DPP's 43 field offices, which include 31 DDMP monitoring sites. According to the State's records, as of June 30, 2009, there were approximately 97,000 cases under its jurisdiction, including approximately 20,000 DDMP cases, and its fiscal year 2009 operating expenditures totaled approximately \$100.4 million.

### **Reorganization**

A budget amendment, dated August 27, 2007, created the Community Surveillance and Enforcement Program (CSEP) by transferring the Central Home Detention Unit, previously part of the Division of Correction, and the Warrant Apprehension Unit, previously part of a different DPP unit. Our audit included the activities of CSEP.

Another budget amendment, dated November 9, 2009, transferred the funding and responsibility for contractual pre-release services from the Maryland Correctional Pre-Release System to DPP. These activities, subsequent to the transfer, were included in our audit.

## **Status of Findings From Preceding Audit Report**

Our audit included a review to determine the status of the five findings contained in our preceding audit report dated April 13, 2007. We determined that DPP satisfactorily addressed four of the findings. The remaining finding is repeated in this report.

## Findings and Recommendations

### Cash Balance Reconciliations

#### **Finding 1**

**The Division of Parole and Probation (DPP) did not adequately reconcile its cash balances of fines, costs, fees, and restitution funds collected and disbursed with the corresponding balance on the State's accounting records.**

#### **Analysis**

DPP did not adequately reconcile the cash balances, according to its records (OBSCIS II), with the corresponding balance on the State Comptroller's records. OBSCIS II is used to account for the collection and disbursement of the fines, costs, fees, and restitution funds assessed in certain court cases. Our review of the reconciliations disclosed certain discrepancies, flaws in methodology, and amounts that could not be supported. Furthermore, although we were advised that the reconciliations were reviewed and approved by supervisory personnel, these approvals were not documented.

During the audit period, the monthly reconciliations reviewed consistently disclosed that the cash balances in OBSCIS II and the State Comptroller's records agreed, after considering reconciling items. However, based on our review, these reconciliations were flawed. For example, the reconciliation documents for July 2009 through October 2009 disclosed that DPP used an incorrect beginning State accounting balance and was still able to reconcile the two balances after reconciling adjustments, calling into question the reliability of the reconciliations.

Furthermore, our detailed review of DPP's reconciliation for November 2009, showing a reconciled balance of \$5.2 million, disclosed that reconciling items were not adequately investigated and resolved in a timely manner. For example, the reconciliation included 451 reconciling items (totaling approximately \$221,000) that were at least six months old, including 263 items (totaling approximately \$129,000) that were more than one year old. Our review of 13 significant reconciling items, totaling approximately \$872,000, disclosed that documentation for 3 of these reconciling items totaling \$258,000 was not available, and DPP could not adequately explain how these reconciling items were obtained or derived, or how they affected the reconciliation. In addition, 3 other reconciling items, totaling \$32,000, did not appear to be legitimate reconciling items as these items had already been resolved.



### **Recommendation 1**

**We recommend that DPP adequately reconcile its cash balances.**

**Specifically, we recommend that DPP**

- a. ensure that a comprehensive supervisory review of the cash balance reconciliation is adequately performed and documented,**
- b. ensure that the proper balances are used in the reconciliation process,**
- c. investigate and resolve all differences identified (including the aforementioned differences) during the reconciliation process in a timely manner, and**
- d. maintain detail supporting documentation for all significant reconciling items.**

## **Drinking Driver Monitor Program**

### **Background**

DPP administers the Drinking Driver Monitor Program (DDMP), a specialized monitoring service for individuals convicted of driving while intoxicated or driving under the influence of alcohol or drugs. Certain offenders who are in DDMP, or who are supervised by a parole and probation agent if under criminal supervision, also participate in the Ignition Interlock Program (IIP). State law established the IIP, which is operated by the Motor Vehicle Administration (MVA). As a condition of probation, courts may order that offenders found to have been driving while under the influence of alcohol (DUI) or driving while impaired by alcohol (DWI) have a vehicle ignition interlock device installed on their motor vehicles. The installation of this device is paid for by the offender and both DPP and MVA verify that the installation occurred.

The ignition interlock device connects a motor vehicle's ignition system to a breathalyzer unit. Prior to starting the vehicle, the offender must breathe into the unit and, if the offender's breath alcohol concentration (BAC) level exceeds the calibrated setting on the interlock device, the device prevents the vehicle from starting. The interlock device records all attempts made by the driver to start the vehicle, the related BAC levels, attempts to circumvent the interlock device, and refusals to perform periodic rolling retests. The offender is required to take the vehicle to an authorized MVA interlock vendor monthly where the recorded information is uploaded to a database maintained by each vendor and subsequently reported to MVA and DPP.

MVA is responsible for ensuring compliance with the statutory requirements of the IIP, while DPP is responsible for monitoring compliance with the applicable court order requirements and communicating any violations of probation (such as

not having the interlock device installed timely and not abstaining from alcohol for a set period of time) to the appropriate court. According to DPP records, as of June 30, 2009, DPP was responsible for monitoring 20,443 DDMP cases. Additionally, during the period from January 1, 2004 to December 31, 2009, according to MVA records, there were 1,341 cases under DPP supervision in the Ignition Interlock Program.

#### **Finding 2**

**DPP's procedures to monitor offenders' installation of an ignition interlock device as a condition of probation were not comprehensive, and monthly reports of offenders' attempts to start their vehicles were not always obtained.**

#### **Analysis**

DPP's procedures and controls over the monitoring of cases requiring the installation and use of an ignition interlock device as a condition of probation were not adequate. The monitoring of the interlock installation rests with DPP's field agents and monitors, but to ensure that this critical function is being performed, DPP's Quality Assurance (QA) Unit conducts audits of cases where probation is contingent upon the installation of the interlock device. In addition, State law requires that the interlock vendors report this usage to DPP. Our audit disclosed the following conditions:

- DPP did not have a system in place that could readily identify or track cases requiring the use of ignition interlock devices nor could it quantify the number of cases with this as a condition of probation. Specifically, probation cases requiring the installation of an interlock device are received by DPP from the various courts and are entered into OBSCIS II. While OBSCIS II is capable of identifying cases requiring interlock devices as a condition of probation, the system was not set up to do this. Since the QA Unit was not able to use OBSCIS II for its test selection, there is no assurance that all cases were subject to review by the Unit, as required. Instead, QA Unit employees relied on the field agents and monitors to identify and report cases requiring the use of these devices.
- DPP did not always obtain the monthly reports from the interlock vendors which contained offenders' attempts to start their motor vehicles, including violations resulting from BAC test failures and improper use of the interlock device. Furthermore, there was no evidence that DPP had tried to obtain these reports. Our test of 21 cases in which the ignition interlock device had been ordered by the courts to be installed on the offenders' motor vehicles as a condition of probation disclosed that monthly ignition interlock reports were

not consistently provided to DPP from the interlock vendors in 9 of the 21 cases tested, as required by State law. Specifically, for these 9 cases in which offenders had been monitored for periods from eight months to three years, as of December 2009, 78 of the required 196 monthly reports were not on file. For example, as of February 2010, DPP did not have any monthly reports on file for one offender who had been under supervision for a period of 12 months. A similar condition was commented upon in our preceding audit report.

## **Recommendation 2**

### **We recommend that DPP**

- a. modify its system to track cases requiring the use of an ignition interlock device, and utilize this system to select cases for audit by the QA Unit; and**
- b. ensure monthly ignition interlock reports are received and reviewed on a monthly basis for each offender (repeat).**

## **Finding 3 (Policy Issue)**

**DPP needs to obtain clarification of its responsibilities for reporting IIP violations to the courts.**

## **Analysis**

DPP's procedures over the monitoring of monthly ignition interlock reports did not require monitors to report repeated violations of the Ignition Interlock Program (IIP), which may be indicative of violations of probation, to the appropriate courts. In this regard, our review disclosed that repeated violations were incurred by the offenders in 6 of the 21 cases tested. However, these 6 cases were never reported to the appropriate courts. For example, according to the reports, one offender, who had three prior DUI/DWI convictions and was required to have the interlock device installed and abstain from alcohol during the probation period, had 14 violations during six months that were not reported to the appropriate court.

According to DPP management, while it is responsible for ensuring the offender had the ignition interlock device installed for the length of time required under the court order, it is not responsible for ensuring the proper use of the device or compliance with MVA's IIP requirements. Furthermore, it believes that the monthly interlock vendor reports were meant to be utilized as a monitoring tool and that violations reported on these reports cannot solely be considered as evidence that an offender violated his or her probation or that the offender was the person who performed the violation; accordingly, DPP believes this information

is not required to be reported to the courts. However, DPP's procedures do require the monitors to determine whether offenders are meeting the conditions of probation and to respond to offender noncompliance. As a special condition of probation, many of these offenders are required to abstain from alcohol. Given that the repeated violations are indicative of possible alcohol use, we believe that DPP should obtain clarification from the appropriate courts regarding when cases with IIP violations should be reported.

### **Recommendation 3**

#### **We recommend that DPP**

- a. obtain clarification from the appropriate courts regarding its responsibilities for reporting cases with repeated IIP violations, and**
- b. revise its procedures consistent with any clarification received from the courts and ensure compliance.**

## **Audit Scope, Objectives, and Methodology**

We have audited the Division of Parole and Probation (DPP) for the period beginning November 1, 2006 and ending December 13, 2009. The audit was conducted in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

As prescribed by the State Government Article, Section 2-1221 of the Annotated Code of Maryland, the objectives of this audit were to examine the DPP's financial transactions, records and internal controls, and to evaluate its compliance with applicable State laws, rules, and regulations. We also determined the status of the findings contained in our preceding audit report.

In planning and conducting our audit, we focused on the major financial-related areas of operations based on assessments of materiality and risk. The areas addressed by the audit included corporate purchasing cards; payroll preparation; the collection and disbursement of fines, fees, costs, and restitution; the monitoring of cases, including the Drinking Driver Monitoring Program; and information systems security and control. Our audit procedures included inquiries of appropriate personnel, inspections of documents and records, and observations of the DPP's operations. We also tested transactions and performed other auditing procedures that we considered necessary to achieve our objectives. Data provided in this report for background or informational purposes were deemed reasonable, but were not independently verified.

Our audit did not include certain support services provided to DPP by the Department of Public Safety and Correctional Services – Office of the Secretary. These support services (such as payroll, purchasing, maintenance of accounting records, and related fiscal functions) are included within the scope of our audits of the Office of the Secretary.

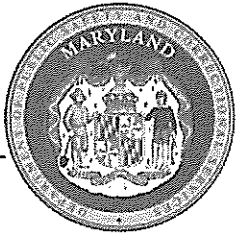
DPP management is responsible for establishing and maintaining effective internal control. Internal control is a process designed to provide reasonable assurance that objectives pertaining to the reliability of financial records, effectiveness and efficiency of operations including safeguarding of assets, and compliance with applicable laws, rules, and regulations are achieved.

Because of inherent limitations in internal control, errors or fraud may nevertheless occur and not be detected. Also, projections of any evaluation of internal control to future periods are subject to the risk that conditions may change or compliance with policies and procedures may deteriorate.

Our reports are designed to assist the Maryland General Assembly in exercising its legislative oversight function and to provide constructive recommendations for improving State operations. As a result, our reports generally do not address activities we reviewed that are functioning properly.

This report includes findings related to conditions that we consider to be a significant deficiencies in the design or operation of internal control that could adversely affect the DPP's ability to maintain reliable financial records, operate effectively and efficiently and/or comply with applicable laws, rules, and regulations. Our report also includes findings regarding significant instances of noncompliance with applicable laws, rules, or regulations.

The response from the Department of Public Safety and Correctional Services, on behalf of the DPP, to our findings and recommendations is included as an appendix to this report. As prescribed in the State Government Article, Section 2-1224 of the Annotated Code of Maryland, we will advise the Department regarding the results of our review of its response.



## APPENDIX

### Department of Public Safety and Correctional Services

#### Office of the Secretary

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COMMISSION

MARYLAND PAROLE  
COMMISSION

CRIMINAL INJURIES  
COMPENSATION BOARD

EMERGENCY NUMBER  
SYSTEMS BOARD

SUNDRY CLAIMS BOARD

INMATE GRIEVANCE OFFICE

November 15, 2010

Mr. Bruce A. Myers, CPA  
Legislative Auditor  
Office of Legislative Audits  
301 West Preston Street  
Room 1202  
Baltimore, Maryland 21201

Dear Mr. Myers:

The Department of Public Safety and Correctional Services has reviewed the Draft Audit Report for the Division of Parole and Probation (DPP) dated October 2010 for the period beginning November 1, 2006 and ending December 13, 2009. The Department acknowledges the importance of each finding, appreciates the constructive recommendations, and has taken steps to correct each of them.

It should be noted that of the five findings contained in the auditors' preceding audit report dated April 13, 2007, it was determined that the DPP had satisfactorily resolved four of those findings. The Department believes that this is indicative of its commitment to implement the necessary corrective action to achieve compliance and eliminate repeat findings.

Attached is Director Patrick McGee's response to the draft audit report, with which I concur. Director McGee has been directed to implement corrective action to address all of the audit findings, and to closely monitor the status in order to prevent any repeat audit findings in the next audit. If you have any questions concerning this correspondence, please contact me.

Sincerely,

Gary D. Maynard  
Secretary

Attachment

Cc: G. Lawrence Franklin, Deputy Secretary, DPSCS  
Patrick McGee, Director, DPP  
Susan D. Dooley, Director, Office of Financial Services, DPSCS  
Patricia Vale, Executive Deputy Director, DPP  
Jerri S. Nolet, Deputy Director, Administrative Services, DPP  
Joseph M. Perry, Inspector General, DPSCS



## Department of Public Safety and Correctional Services

### Division of Parole and Probation

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GOVERNOR

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GARY D. MAYNARD  
SECRETARY

PATRICK McGEE  
DIRECTOR

November 15, 2010

Gary D. Maynard, Secretary  
Department of Public Safety and Correctional Services  
300 East Joppa Road, Suite 1000  
Towson, Maryland 21286-3020

Dear Secretary Maynard:

Included below are the responses to the Draft Legislative Audit Report dated October 2010 covering the examination of the accounts and records of the Division of Parole and Probation for the period beginning November 1, 2006 and ending December 13, 2009. The Division of Parole and Probation will aggressively pursue implementation of the Draft Audit Report recommendations.

**Finding 1 – The Division of Parole and Probation (DPP) did not adequately reconcile its cash balances of fines, costs, fees, and restitution funds collected and disbursed with the corresponding balance on the State's accounting records.**

#### **Recommendation 1**

**We recommend that DPP adequately reconcile its cash balances. Specifically, we recommend that DPP**

- a. ensure that a comprehensive supervisory review of the cash balance reconciliation is adequately performed and documented,**
- b. ensure that the proper balances are used in the reconciliation process,**
- c. investigate and resolve all differences identified (including the aforementioned differences) during the reconciliation process in a timely manner, and**
- d. maintain detail supporting documentation for all significant reconciling items.**

**We agree.** Beginning with the October 2010 monthly reconciliation, DPP will ensure that a comprehensive supervisory review of the cash balance reconciliation is adequately performed and documented. This review will also ensure that proper balances are used in the reconciliation process, that all differences (including the aforementioned differences) are investigated and resolved in a timely manner, and that detailed supporting documentation is maintained for all significant reconciling items.

**Finding 2 – DPP's procedures to monitor offenders' installation of an ignition interlock device as a condition of probation were not comprehensive, and monthly reports of offenders' attempts to start their vehicles were not always obtained.**



**Recommendation 2**

**We recommend that DPP**

- a. **modify its system to track cases requiring the use of an ignition interlock device, and utilize this system to select cases for audit by the QA Unit; and**
- b. **ensure monthly ignition interlock reports are received and reviewed on a monthly basis for each offender (repeat).**

**We agree.** In June 2010, DPP initiated a special program code in its OBSCIS II system so that cases requiring the use of an ignition interlock system could be identified. These identified cases are now included in the select cases available for audit by the QA Unit. In addition, by February 28, 2011, DPP will develop an accountability procedure that requires the monitor's chain of command to ensure that monthly ignition interlock reports are received and reviewed on a monthly basis for each offender.

**Finding 3 – DPP needs to obtain clarification of its responsibilities for reporting IIP violations to the courts.**

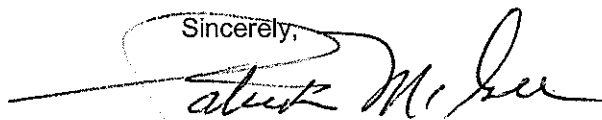
**Recommendation 3**

**We recommend that DPP**

- a. **obtain clarification from the appropriate courts regarding its responsibilities for reporting cases with repeated IIP violations; and**
- b. **revise its procedures consistent with any clarification received from the courts and ensure compliance.**

**We agree.** By December 31, 2010, DPP will issue a directive requiring individual monitors/agents to seek written guidance from the appropriate courts regarding any court imposed responsibilities for reporting cases that have repeated IIP violations. The monitors/agents will be required to retain the written guidance provided by the respective courts, and to adhere to whatever requirements are imposed by the courts.

Sincerely,



Patrick McGee  
Director

- c: G. Lawrence Franklin, Deputy Secretary, DPSCS  
Susan D. Dooley, Director of Financial Services, DPSCS  
Joseph M. Perry, Inspector General, DPSCS  
Patricia Vale, Executive Deputy Director, DPP  
Jerri S. Nolet, Deputy Director, DPP  
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