

Special Review

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**Department of State Police  
Follow-Up Review**

July 2005

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

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Karl S. Aro  
Executive Director

DEPARTMENT OF LEGISLATIVE SERVICES  
OFFICE OF LEGISLATIVE AUDITS  
MARYLAND GENERAL ASSEMBLY

Bruce A. Myers, CPA  
Legislative Auditor

July 20, 2005

Delegate Charles E. Barkley, Co-Chair, Joint Audit Committee  
Senator Nathaniel J. McFadden, Co-Chair, Joint Audit Committee  
Members of Joint Audit Committee  
Annapolis, Maryland

Ladies and Gentlemen:

We have conducted a follow-up review of the actions taken by the Department of State Police (DSP), as of March 2, 2005, to address the findings in our June 28, 2004 audit report. In that report, we concluded that DSP's fiscal accountability and compliance rating was unsatisfactory.

We performed certain procedures to evaluate the corrective actions taken by DSP. Specifically, we selected 14 of the 28 findings from our audit report and reviewed DSP's progress. Our review disclosed that DSP had made significant progress in resolving the findings reviewed:

<b>Implementation Status</b>	<b>Number of Findings</b>
Corrected	4
Substantial Progress	4
In Progress	3
Minimal or No Improvement	3
Status Not Determined (item not selected for review)	14

Although DSP is still in the process of implementing corrective actions on certain findings, DSP has made a significant effort to address our recommendations. Furthermore, several of our audit recommendations require more time to fully implement. We anticipate that, if the pace of the current effort continues for all audit report recommendations, if the recommendations implemented remain in effect, and if other areas do not deteriorate, our next audit will result in an improved accountability and compliance rating.

The current status of each of the 14 findings we reviewed is identified in Exhibit 1. In addition, Exhibit 1 includes DSP's self-assessment of the implementation status for all 28 report findings. Exhibit 2 describes in greater detail the current status for the 6 findings we determined that DSP has not fully or substantially addressed. After discussing our review results, DSP generally agreed with our assessments.

Two findings reviewed related to DSP's DNA collection and analysis efforts. Although additional corrective action is required for these findings, results of the efforts in this area have been positive. According to DSP's records, 278 DNA samples have been matched to criminal investigations between January 1, 2002 and June 2, 2005, whereas only 15 such matches occurred between January 1, 1994 and December 31, 2001. DSP's efforts to reduce existing DNA collection and analysis backlogs are described in the current status descriptions for Findings 1 and 2 beginning on page 7.

We will review the status of all of the audit findings during our next audit of DSP. We wish to acknowledge the cooperation extended to us by DSP during this review.

Respectfully submitted,

Bruce A. Myers, CPA  
Legislative Auditor

## Exhibit 1: Current Status of Findings in June 28, 2004 Audit Report

Finding	Current Status Based on Auditor's Review as of March 2005	Current Status as Determined by DSP as of February 2005
<b>DNA Samples</b>		
1. DNA samples were not collected from as many as 8,300 individuals convicted of a qualifying crime and imprisoned, and from certain individuals placed on parole and/or probation	In Progress	In Progress
2. DNA samples collected by DSP were not analyzed and entered into the statewide DNA database timely	Minimal Improvement	In Progress
3. DNA evidence at a county crime lab was not matched with state and national data (Policy Issue)	n/a	Corrected
<b>Controlled Dangerous Substances</b>		
4. Adequate accountability and control over confiscated controlled dangerous substances had not been established	Corrected	Corrected
<b>Maryland Interagency Law Enforcement System (MILES) and National Crime Information Center (NCIC)</b>		
5. Procedures were not sufficient to ensure that all civil child support warrants, protective orders, and reports on missing children were entered into MILES and NCIC as required by law	In Progress	Minimal Improvement
<b>Handgun Registration</b>		
6. Procedures for auditing firearms dealers were not sufficient to ensure that background checks were performed and required safety devices were included for all gun sales	Substantial Progress	Corrected
7. Quality assurance reviews of selected handgun applications were not documented	Corrected	Corrected
<b>Maryland Integrated Ballistics Identification System (IBIS)</b>		
8. Several deficiencies with the IBIS hampered its effectiveness as a crime solving tool	n/a	Corrected
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n/a – not applicable since implementation status was not reviewed

Shaded findings are more fully described in Exhibit 2.

## Exhibit 1: Current Status of Findings in June 28, 2004 Audit Report

Finding	Current Status Based on Auditor's Review as of March 2005	Current Status as Determined by DSP as of February 2005
<p><b>Uniform Crime Report (UCR)</b></p> <p>9. DSP did not submit the annual UCR to the General Assembly timely and did not ensure the accuracy of crime data</p>	Corrected	Corrected
<p><b>Traffic Stop Initiative</b></p> <p>10. Personal data assistants (PDAs) purchased for tracking traffic stops were not properly controlled and were underutilized</p>	n/a	Corrected
<p><b>Contract Procurement</b></p> <p>11. Certain questionable matters were identified related to the procurement and contract deliverables for construction contracts totaling \$65,000</p> <p>12. Certain services were not procured in compliance with state procurement laws and regulations</p>	n/a	In Progress
<p><b>Indirect Costs</b></p> <p>13. Approximately \$1.5 million of Indirect Costs were not recovered by DSP</p>	n/a	In Progress
<p><b>Purchases and Disbursements</b></p> <p>14. Proper internal controls were not established over the processing of purchasing and disbursement transactions</p>	Substantial Progress	In Progress
<p><b>Local Aid Law Enforcement Grants</b></p> <p>15. Grant agreements were not executed and expenditure reports were not obtained for certain law enforcement grants</p>	n/a	In Progress
<p><b>Senator William H. Amoss Fire, Rescue, and Ambulance Fund</b></p> <p>16. Controls over confiscated and forfeited cash and property were not sufficient, and sales proceeds from related vehicles were not reverted to the General Fund</p>	n/a	Corrected
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n/a – not applicable since implementation status was not reviewed

## Exhibit 1: Current Status of Findings in June 28, 2004 Audit Report

Finding	Current Status Based on Auditor's Review as of March 2005	Current Status as Determined by DSP as of February 2005
<b>Confiscated and Forfeited Property</b> 17. Controls over confiscated and forfeited cash and property were not sufficient and sales proceeds from related vehicles were not reverted to the General Fund	Substantial Progress	Corrected
<b>Cash Receipts</b> 18. Adequate procedures were not established to ensure that collections were properly accounted for and controlled	Minimal Improvement	Corrected
<b>Fund Accounting</b> 19. Certain federal and special funds were not properly accounted for	n/a	In Progress
<b>Working Fund</b> 20. Controls over the working fund were not sufficient	n/a	Corrected
<b>Cafeteria Operations</b> 21. Cafeteria operations were not adequately controlled	n/a	Corrected
<b>Property</b> 22. Proper controls over equipment and firearms were not established*	Minimal Improvement	Corrected
<b>Payroll</b> 23. Supervisory personnel who approved time reports did not review supporting documentation	Substantial Progress	Corrected
<b>Fuel Usage</b> 24. Vehicle fuel usage reports were not thoroughly reviewed	n/a	Corrected
<b>Information Systems Security and Control</b> 25. Virus protection of DSP resources was not adequate	n/a	In Progress
26. DSP did not have a disaster recovery plan	n/a	Minimal Improvement
27. Computer network was not adequately secured	In Progress	Corrected
28. Backup procedures for critical network servers were inadequate	Corrected	Corrected

n/a – not applicable since implementation status was not reviewed

\* We limited our follow-up on finding 22 to the firearms portion.

Shaded findings are more fully described in Exhibit 2.



## **Exhibit 2**

### **Current Status of Findings for Which Corrective Action Was Deemed to be “In Progress” or “Minimal Improvement”**

#### **DNA Samples**

##### **Finding 1**

**DNA samples were not collected from as many as 8,300 individuals convicted of a qualifying crime and imprisoned, and from other individuals placed on parole and probation.**

##### **Prior Report Recommendation**

We recommended that DSP continue its efforts to ensure that a DNA sample is collected upon intake from all qualifying individuals. In this regard, we recommended that DSP determine the funding needed to collect and analyze the DNA samples in a timely manner and include an appropriate funding request in its budget submission. We further recommended that DSP develop a plan to obtain DNA samples from the 8,300 inmates (noted in the report) as resources permit. We also again recommended that DSP notify all individuals on parole and probation who are required to submit DNA samples of this requirement, and notify the Division of Parole and Probation of those individuals who fail to provide a sample as required.

##### **Current Status – In Progress**

The Public Safety Article, Sections 2-504 and 2-505 of the Annotated Code of Maryland indicate that DSP’s DNA collection and analysis efforts are to be undertaken to the extent fiscal resources are available as appropriated in the State budget. In response to this finding, and to help ensure that DNA samples are collected in a timely manner, DSP’s Crime Lab, based on its documented analysis of collection capacity, internally requested additional funding of \$284,813 for four new lab positions in fiscal year 2006. These additional positions were intended to eliminate the collection backlog by January 2008. However, these four positions were not included in DSP’s fiscal year 2006 budget submission to the Department of Budget and Management. Nevertheless, some improvement has been noted.

As of June 13, 2005, DNA samples had not been obtained from approximately 4,900 Division of Correction (DOC) inmates—an improvement over the backlog of 8,300 inmate samples as of August 24, 2003. According to the DSP crime lab’s records, from March 1, 2004 to June 17, 2005, approximately 8,200 samples

from both new and backlogged cases had been obtained from DOC inmates. DSP initiated various strategies using existing resources to help collect samples more timely:

- As of March 14, 2005, DSP had entered into Memoranda of Understanding (MOUs) with three counties' detention centers to have them collect DNA samples from locally incarcerated individuals; DSP is working toward executing similar MOUs with five other counties.
- Based on DSP agreements with two counties, Circuit Court judges now immediately issue an order for the collection of a DNA sample upon conviction of a qualifying crime so DSP crime lab employees will not have to research which convicted felons are required to submit a DNA sample.
- A DSP Special Order, dated July 2004, permitted the use of restricted duty sworn personnel (for example, an injured trooper who cannot perform full duties) to collect DNA samples. DSP advised us that this resulted in 765 samples being collected from incarcerated individuals as of March 2005.
- In November 2004, DSP reassigned an individual performing various lab services to DNA collection efforts.

Division of Parole and Probation (DPP) provides DSP a monthly list of individuals entering DPP oversight during the month. Based on these monthly lists, as of June 15, 2005, DSP had not determined the need to collect DNA samples from approximately 24,000 of the 32,000 individuals who entered DPP oversight during the period from July 2003 to March 2005. DSP advised us that DNA collection determinations had been made for all individuals on the DPP lists through June 2003.

Although a substantial backlog of individuals not receiving notification to submit DNA samples still exists, DSP is in the process of negotiating an MOU with DPP to obtain more specific information on each individual in the aforementioned monthly lists so that DSP crime lab employees can spend less administrative time performing investigations to determine which individuals need to submit DNA samples. DSP advised us that no backlog exists in notifying DPP timely of those individuals who fail to provide a sample as required.

**Finding 2**

**DNA samples collected by DSP were not analyzed and entered into the statewide DNA database in a timely manner.**

**Prior Report Recommendation**

We again recommended that DSP take the necessary steps to eliminate the backlog of DNA samples that have not been analyzed and ensure that the results of these analyses are entered into the statewide DNA database in a timely manner.

**Current Status – Minimal Improvement**

In our audit report, we noted that, as of September 15, 2003, there were 4,800 samples that were collected two to five months earlier that had either not been sent to the DNA testing contractor for analysis or had not yet been returned from the contractor. In addition, the results of 800 samples received from the contractor in December 2002 were not entered by DSP into the DNA database until September 2003. As of March 23, 2005, backlogs continued to exist. Specifically, 8,212 samples that had been collected up to a year earlier, had not been sent to the contractor for analysis. In addition, 1,566 of the 2,446 samples in the contractor's possession had been held by the contractor for at least nine months, and 2,529 samples returned from the contractor had not been entered by DSP into the DNA database, including 986 samples that had been returned in July 2004.

We currently noted that, in an effort to reduce the backlog of DNA samples in the possession of the contractor for excessive periods, DSP's current Request For Proposal (RFP) for DNA sample analysis requires that all sample analyses be returned to DSP within 90 working days after receipt by the contractor. As of June 14, 2005, DSP had not finalized selection of the vendor for the new contract. Under the current contract where no such turnaround requirement exists, DSP advised that the contractor typically retained DNA samples for periods averaging from four to six months and in some instances, for up to a year before completing the analyses and returning them to DSP.

Additionally, DSP advised that the backlog of returned samples awaiting entry into the DNA database was the result of inadequate staffing to perform quality assurance reviews of the returned samples and to input the completed samples into the database. Quality assurance reviews of DNA samples returned from the contractor are federally mandated before the samples can be entered into the database. For the fiscal year 2006 budget, the DSP Crime Lab requested two additional forensic chemists and a DNA Database State Administrator to help

address the returned samples backlog that is expected to worsen once the new contract with the 90 day turnaround period goes into effect. However, DSP did not include the crime lab's request for the additional positions in its fiscal year 2006 budget submission to the Department of Budget and Management.

## **Maryland Interagency Law Enforcement and National Crime Information Center Systems**

### **Finding 5**

**DSP lacked procedures to help ensure that all civil child support warrants, protective orders, and reports on missing children were entered into the Maryland Interagency Law Enforcement System (MILES) and National Crime Information Center (NCIC) system, as required by law.**

### **Prior Report Recommendation**

We recommended that DSP establish procedures and controls to help ensure that all civil child support warrants, protective orders, and reports on missing children are entered into MILES and NCIC as required by law.

### **Current Status – In Progress**

Local law enforcement agencies are responsible for entering warrants, protective orders, and reports on missing children into MILES and NCIC. Because of differences among these agencies regarding the processing and recording of court documents, and because DSP does not believe it has authority over these agencies under State law, DSP did not establish uniform procedures and controls for local agencies to implement to help ensure that the aforementioned court documents were entered into MILES and NCIC.

In January 2005, DSP sent a survey to the 30 applicable local law enforcement agencies requesting explanations of their policies and procedures on tracking and entering the aforementioned court documents into MILES and NCIC. DSP subsequently received responses from 27 agencies. However, the responses did not contain sufficient detail that would allow DSP to determine that sufficient controls were in place at each agency to help ensure that the aforementioned court documents were entered into MILES and NCIC. DSP advised that it plans to perform the necessary analyses of the responses to make a determination as to the adequacy of the local agencies' procedures and controls.

## Cash Receipts

### **Finding 18**

**DSP had not established adequate procedures to ensure that collections were properly accounted for and controlled.**

#### **Prior Report Recommendation**

We again recommended that an employee independent of the cash receipts function verify and document that all recorded collections were deposited; periodically account for all prenumbered receipt forms as to issued, voided, or on-hand; and periodically reconcile the licenses issued with the related cash receipts deposited. In addition, we again recommended that individuals with the ability to update the accounts receivable records not have access to the related cash receipts.

#### **Current Status – Minimal Improvement**

DSP's current deposit procedure is inadequate because the collection log used to initially record cash receipts was not used in the deposit verification process and the verification process was not documented. Additionally, although a DSP internal auditor prepared a monthly comparison of the licenses issued with the related cash receipts deposited, the differences identified were not researched to determine if licenses were issued for which the related cash receipts were not collected. Finally, one individual in the finance office with the ability to update the accounts receivable records handled the related cash receipts. DSP adequately addressed our recommendation regarding accountability over prenumbered receipt forms.

## Property (Firearms Only)

### **Finding 22**

**Proper controls over DSP's firearm inventories were not established.**

#### **Prior Report Recommendation**

We again recommended that DSP establish and maintain independent control accounts for each category of property. We also recommended that an employee independent of the recordkeeping and custody functions conduct the firearms physical inventory and receive payments for firearms sold.

### **Current Status – Minimal Improvement**

Although a DSP employee who does not have access to the firearms inventory maintained a control account for equipment that includes firearms, the documents used to update the control account were obtained from the employee who is the custodian of the firearms inventory. Furthermore, although DSP modified its physical inventory procedures whereby the custodian jointly conducted physical inventories with another employee, control deficiencies continued to exist because the custodian also maintained the related firearms detail records and received payments for firearms sold.

## **Information Systems Security and Control**

### **Finding 27**

**The DSP's computer network was not adequately secured.**

### **Prior Report Recommendation**

We made detailed recommendations to the DSP which, if implemented, should provide for adequate security over the described network components.

### **Current Status – In Progress**

DSP has made efforts to address our five detailed recommendations. Specifically, DSP has fully implemented one recommendation by relocating the email system to State Police Headquarters and by directing all traffic destined to the email system through a firewall for processing and filtering. DSP is still in the process of implementing the remaining four network security recommendations.

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

We conducted a follow-up review of the actions taken by the Department of State Police (DSP) as of March 2, 2005 to address the findings in our June 28, 2004 audit report. In that report, we concluded that DSP's fiscal accountability and compliance rating was unsatisfactory.

The purpose of our review was to determine the current status of DSP's corrective actions to address certain of our audit findings. This review was conducted based on a previous recommendation of the Chairmen of the House Appropriations Committee and the Senate Budget and Taxation Committee of the General Assembly. The Chairmen recommended that a follow-up review be performed whenever an agency receives an unsatisfactory rating in our audit report. The rating system was established, in accordance with State Government Article, Section 2-1221 of the Annotated Code of Maryland, for the purpose of determining an overall evaluation of an agency's fiscal accountability and compliance with State laws and regulations.

Our review consisted of obtaining a February 2005 status report from DSP (describing the level of implementation of each prior audit report recommendation), performing tests and analyses of selected information, and holding discussions with DSP personnel as we deemed necessary to determine the status of DSP's corrective actions to address selected findings from our June 28, 2004 audit report. Our review did not constitute an audit conducted in accordance with generally accepted government auditing standards. Had we conducted an audit in accordance with generally accepted government auditing standards, other matters may have come to our attention that would have been reported. Our review was conducted primarily during March through June 2005.

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