

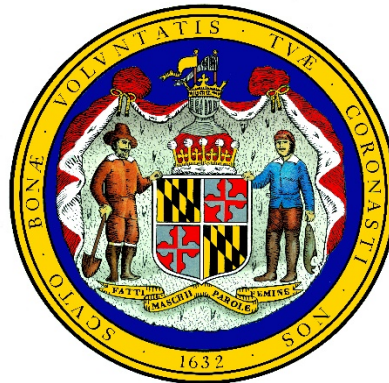
Audit Report

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**Department of Human Services  
Child Support Administration**

April 2025

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

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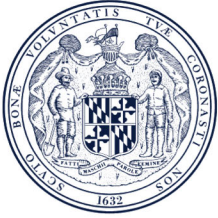
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DEPARTMENT OF LEGISLATIVE SERVICES  
OFFICE OF LEGISLATIVE AUDITS  
MARYLAND GENERAL ASSEMBLY

Victoria L. Gruber  
Executive Director

Brian S. Tanen, CPA, CFE  
Legislative Auditor

April 3, 2025

Senator Shelly L. Hettleman, Senate Chair, Joint Audit and Evaluation Committee  
Delegate Jared Solomon, House Chair, Joint Audit and Evaluation Committee  
Members of Joint Audit and Evaluation Committee  
Annapolis, Maryland

Ladies and Gentlemen:

We have conducted a fiscal compliance audit of the Department of Human Services (DHS) – Child Support Administration (CSA) for the period beginning September 1, 2020 and ending December 31, 2023. CSA is responsible for operating the Statewide child support program, which includes the establishment of paternity and child support orders, and the collection and distribution of child support payments. For the federal fiscal year ended September 30, 2023, child support collections totaled \$457.8 million and unpaid child support due from obligors/non-custodial parents totaled \$1.4 billion at that date.

Our audit disclosed that CSA did not have sufficient procedures to ensure that the Motor Vehicle Administration (MVA) suspended driver's licenses of non-custodial parents who were delinquent in their child support payments. Specifically, CSA does not require caseworkers to record the non-custodial parent's driver's license number in the case management system even though its agreement with MVA required this information for the match. This resulted in numerous referrals being rejected by MVA, which were not investigated and resolved. A similar condition regarding CSA not investigating referral rejections was commented upon in our preceding audit report.

DHS' response to this audit, on behalf of CSA, is included as an appendix to this report. In accordance with State law, we have reviewed the response and, while CSA agrees with the recommendations in this report, it has disagreed with our assessment that the condition described above represents a repeat finding from the preceding report. After reviewing CSA's response, we continue to believe that this condition is accurate. In accordance with generally accepted government auditing standards, we have included an "auditor's comment" within DHS'

response to explain our position. We will advise the Joint Audit and Evaluation Committee of any outstanding issues that we cannot resolve with CSA.

We wish to acknowledge the cooperation extended to us during the audit by CSA.

Respectfully submitted,

*Brian S. Tanen*

Brian S. Tanen, CPA, CFE  
Legislative Auditor

## **Background Information**

### **Agency Responsibilities**

The Child Support Administration (CSA) is a unit within the Department of Human Services (DHS) and is responsible for operating the Statewide child support program. CSA provides services to both the non-custodial and custodial parents, which include the establishment of paternity and child support orders, the collection of child support payments, and the distribution of such funds.

According to the State's records, CSA's operating expenditures for State fiscal year 2023 totaled approximately \$45.3 million (see Figure 1 on the following page).<sup>1</sup>

During the period July 1, 2019 through June 30, 2023, CSA had vacancy rates that ranged from 4.8 percent to 11.5 percent. As of June 30, 2023, approximately 11.5 percent of the total 61 positions were vacant. These vacancies may have contributed, at least in part, to the findings in this report.

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<sup>1</sup> This excludes local child support office expenditures, which are included in a separate DHS budgetary unit.

**Figure 1**  
**CSA Positions, Expenditures, and Funding Sources**

<b>Full-Time Equivalent Positions as of June 30, 2023</b>		
	<b>Positions</b>	<b>Percent</b>
Filled	54	88.5%
Vacant	7	11.5%
<b>Total</b>	<b>61</b>	
<b>Fiscal Year 2023 Expenditures</b>		
	<b>Expenditures</b>	<b>Percent</b>
Salaries, Wages, and Fringe Benefits	\$ 6,971,439	15.4%
Operating Expenses	38,317,043	84.6%
<b>Total</b>	<b>\$45,288,482</b>	
<b>Fiscal Year 2023 Funding Sources</b>		
	<b>Funding</b>	<b>Percent</b>
General Fund	\$ 2,222,591	4.9%
Special Fund	12,212,379	27.0%
Federal Fund	30,853,512	68.1%
<b>Total</b>	<b>\$45,288,482</b>	

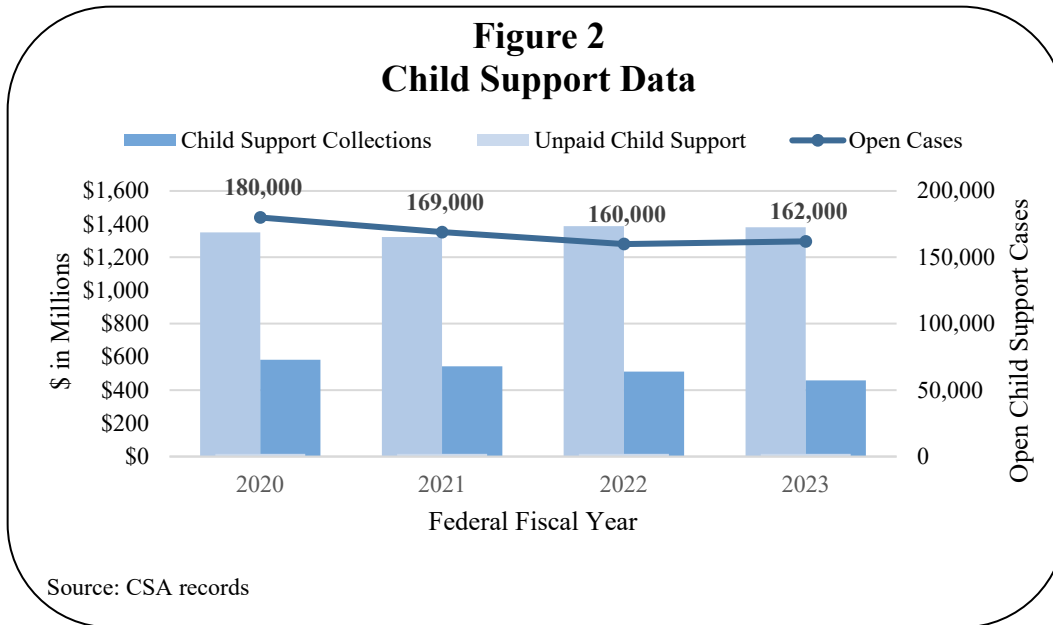
Source: State financial and personnel records

Local child support offices, under CSA’s oversight, and other state and local government agencies (such as State’s Attorneys’ Offices) perform various child support services. Furthermore, a private vendor, under contract to CSA, provides child support functions in Baltimore City, which handles approximately 20 percent of the State’s child support cases. In addition, CSA uses the services of two additional private vendors—one vendor maintains the Maryland State Directory of New Hires which is used to identify obligor/non-custodial parent<sup>2</sup> (NCP) wages on a statewide basis, and the other vendor centrally receives, processes, and distributes child support payments.

According to CSA’s records, during federal fiscal year 2023 (October 1, 2022 through September 30, 2023), Statewide child support collections related to approximately 162,000 open cases totaled \$457.8 million. As of September 30,

<sup>2</sup> While the obligor (individual legally required to make child support payments) may not always be the non-custodial parent, for purposes of this report reference to the NCP is considered the obligor.

2023, the cumulative unpaid child support due from obligors totaled approximately \$1.4 billion. As reflected in Figure 2, the unpaid child support balance has remained consistent between federal fiscal years 2020 and 2023, while current child support collections and the number of open cases has decreased by \$125 million (21 percent) and 18,000 (10 percent),<sup>3</sup> respectively, over this period.



## Child Support Management System

In September 2022, CSA fully implemented the Child Support Management System (CSMS) which replaced CSA’s legacy Child Support Enforcement System. CSMS is a web-based application that is part of the Maryland Total Human-Services Integrated Network (MD THINK) which is a cloud-based platform that allows multiple State health and human services agencies to share and manage data in one place. CSMS is used primarily for case management including maintaining case information, documenting enforcement efforts, and recording information about collection and distribution of support payments. CSA has faced significant system challenges with CSMS including receiving and disbursing child support payments and technological problems.<sup>4</sup>

<sup>3</sup> The quantity of cases is dependent on the court systems and not under CSA control. Per a July 2023 University of Maryland School of Social Work Public Policy Research paper, *Maryland’s Child Support Caseload Trends Among Cases, 2016 to 2022*, child support caseloads have been declining for decades across the country, though the reduction in Maryland has outpaced national trends.

<sup>4</sup> Our audit report of the *Department of Information Technology (DoIT)* dated March 29, 2024, identified numerous concerns with the implementation and oversight of the MD THINK project.

## Enforcement Action Overview

Child support services are generally performed by local offices throughout the State, including the Baltimore City office where a vendor provides the services, with oversight and administration provided by CSA central office personnel. CSA uses several enforcement tools to pursue court-ordered child support when an obligor does not pay fully or on time. These tools include withholding wages and intercepting federal and State payments (such as, tax refunds).

The primary source to facilitate the identification of wages for withholding is the Maryland State Directory of New Hires which is an automated system for collecting, storing, and extracting employer-reported information on new hires, mandated by federal law. The system is maintained by a vendor under contract to DHS. Other enforcement tools provided for in State law include driver's license and occupational license suspensions.<sup>5</sup> For example, State law permits the suspension of driver's licenses by the Motor Vehicle Administration when an obligor is at least 60 days delinquent in child support payments.

## Status of Findings From Preceding Audit Report

Our audit included a review to determine the status of the two findings contained in our preceding audit report dated May 13, 2021. As disclosed in Figure 3, we determined that CSA satisfactorily addressed one of these findings. The remaining finding is repeated in this report.

**Figure 3**  
**Status of Preceding Findings**

<b>Preceding Finding</b>	<b>Finding Description</b>	<b>Implementation Status</b>
Finding 1	CSA did not obtain and investigate driver's license suspension referrals rejected by the Motor Vehicle Administration (MVA).	<b>Repeated</b> (Current Finding 1)
Finding 2	CSA did not obtain adequate assurance that the vendor responsible for distributing child support payments had sufficient security over its information system to protect sensitive data such as personally identifiable information (PII) for custodial and noncustodial parents.	Not Repeated

<sup>5</sup> The Driver's License Suspension program was paused between July 2022 and April 2023 due to errors interfacing the new CSMS system with the MVA.



## Findings and Recommendations

### Driver's License Suspension

#### **Finding 1**

**The Child Support Administration (CSA) did not have sufficient procedures to ensure that the Maryland Department of Transportation Motor Vehicle Administration (MVA) suspended the driver's licenses of non-custodial parents (NCPs) who were delinquent in their child support payments.**

#### **Analysis**

CSA did not have sufficient procedures to ensure that the MVA suspended the driver's licenses of NCPs who were delinquent in their child support payments. In accordance with State law, CSA sends a listing to the MVA of NCPs whose payments are at least 60 days out of compliance. The MVA performs automated matches between the CSA listing and its licensing system and either suspends the licenses of NCPs that match its records or rejects the referral. Per MVA records, between September 2023 and February 2024, CSA submitted 13,636 unique NCPs for suspension of which 5,070 (37 percent) were rejected by the MVA. Our review disclosed that CSA did not have sufficient procedures to address these rejected claims.

- Although one of the data points MVA matches to CSA's listing is the NCP's driver's license number, CSA procedures do not require caseworkers to record the NCP's driver's license number in CSMS. Our analysis of the 5,070 rejected referrals disclosed that 865 (or 17 percent) were caused solely by a driver's license number mismatch or omission. We were advised by CSA that while a driver's license number is not necessary to identify an individual when initiating a child support case, it agreed to MVA's terms for the match which requires an exact match of 4 data elements including the driver's license number.
- CSA did not investigate and resolve rejected referrals that may be the result of data entry errors. For example, the MVA would reject a referral for which two or more NCP data elements matched MVA records but there was a difference of one day between the CSA and MVA's records for the NCP's date of birth. CSA did not research any rejected claims to determine and correct errors in the data.

A similar condition regarding CSA not investigating referral rejections was commented upon in our preceding audit report. The Department of Human Services, on behalf of CSA, disagreed with our recommendation but in follow-up

correspondence, dated June 23, 2021, agreed to consult with the MVA following the implementation of the new Child Support Management System to ensure the suspension program was effective. During our current audit, CSA management was unable to explain the result of their consultation with MVA and still was not investigating rejected referrals.

### **Recommendation 1**

**We recommend that CSA develop procedures to ensure that driver’s licenses are being properly suspended, including the review of rejections by the MVA, and to provide corrected information to the MVA to process driver’s license suspensions (repeat).**

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

We have conducted a fiscal compliance audit of the Department of Human Services (DHS) – Child Support Administration (CSA) for the period beginning September 1, 2020 and ending December 31, 2023. 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 CSA’s financial transactions, records, and internal control, and to evaluate its compliance with applicable State laws, rules, and regulations.

In planning and conducting our audit, we focused on the major financial-related areas of operations based on assessments of significance and risk. The areas addressed by the audit included enforcement procedures (for example, occupational and driver’s license suspensions and wage withholding), access and controls over CSA’s Child Support Management System (CSMS), monitoring of local child support offices, and contracts. We also determined the status of the findings contained in our preceding audit report.

Our audit did not include various support services provided by DHS’ 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 audit of the DHS Office of the Secretary and Related Units. In addition, our

audit did not include an evaluation of internal controls over compliance with federal laws and regulations for federal financial assistance programs and an assessment of the CSA's compliance with those laws and regulations because the State of Maryland engages an independent accounting firm to annually audit such programs administered by State agencies, including the CSA.

Our assessment of internal controls was based on agency procedures and controls in place at the time of our fieldwork. Our tests of transactions and other auditing procedures were generally focused on the transactions occurring during our audit period of September 1, 2020 to December 31, 2023, but may include transactions before or after this period as we considered necessary to achieve our audit objectives.

To accomplish our audit objectives, our audit procedures included inquiries of appropriate personnel, inspections of documents and records, tests of transactions, and to the extent practicable, observations of the CSA's operations. Generally, transactions were selected for testing based on auditor judgment, which primarily considers risk, the timing or dollar amount of the transaction, or the significance of the transaction to the area of operation reviewed. As a matter of course, we do not normally use sampling in our tests, so unless otherwise specifically indicated, neither statistical nor non-statistical audit sampling was used to select the transactions tested. Therefore, unless sampling is specifically indicated in a finding, the results from any tests conducted or disclosed by us cannot be used to project those results to the entire population from which the test items were selected.

We also performed various data extracts of pertinent information from the State's Financial Management Information System (such as expenditure data). The extracts are performed as part of ongoing internal processes established by the Office of Legislative Audits and were subject to various tests to determine data reliability. We determined that the data extracted from these sources were sufficiently reliable for the purposes the data were used during this audit. We also extracted data from CSMS for the purpose of testing various enforcement efforts. We performed various tests of the relevant data and determined that the data were sufficiently reliable for the purposes they were used during the audit. Finally, we performed other auditing procedures that we considered necessary to achieve our audit objectives. The reliability of data used in this report for background or informational purposes was not assessed.

CSA's 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. As provided in *Government Auditing Standards*, there are five components of internal control: control environment, risk assessment, control activities, information and communication, and monitoring. Each of the five components, when significant to the audit objectives, and as applicable to CSA, were considered by us during the course of this audit.

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 a finding relating to a condition that we consider to be a significant deficiency in the design or operation of internal control that could adversely affect CSA's ability to maintain reliable financial records, operate effectively and efficiently, and/or comply with applicable laws, rules, and regulations. The finding is also regarded as a significant instance of noncompliance with applicable laws, rules, or regulations. Other less significant findings were communicated to CSA that did not warrant inclusion in this report.

The response from DHS, on behalf of CSA, to our finding and recommendations is included as an appendix to this report. As prescribed in the State Government Article, Section 21224 of the Annotated Code of Maryland, we will advise DHS regarding the results of our review of its response.

**Exhibit 1**  
**Listing of Most Recent Office of Legislative Audits**  
**Fiscal Compliance Audits of Department of Human Services Units**  
**As of February 2025**

Name of Audit		Most Recent Report Date	Total Findings	Number of Repeat Findings
1	Office of the Secretary and Related Units	2/28/2025	9	1
2	Family Investment Administration	10/21/2022	10	5
3	Local Department Operations	3/30/2022	6	5
4	Social Services Administration U	6/3/2021	8	7
<b>Total</b>			<b>33</b>	<b>18</b>
U - This audit had an unsatisfactory rating.				



**DEPARTMENT OF HUMAN SERVICES**

*Wes Moore, Governor · Aruna Miller, Lt. Governor · Rafael López, Secretary*

April 1, 2025

Mr. Brian S. Tanen, CPA, CFE  
Legislative Auditor  
Office of Legislative Audits  
The Warehouse at Camden Yards,  
351 West Camden Street, Suite 400  
Baltimore, Maryland 21201

Dear Mr. Tanen:

Enclosed is the Department of Human Services' (DHS) response to the draft Legislative Audit Report on the Department of Human Services – Child Support Administration (CSA) for the period beginning September 1, 2020 and ending December 31, 2023.

The Department takes audit findings seriously and is committed to resolving the findings identified in the audit report.

We are happy to answer any questions. Please contact Marva Sutherland, Inspector General, at [Marva.Sutherland@maryland.gov](mailto:Marva.Sutherland@maryland.gov) if you would like to continue the conversation.

In service,

A handwritten signature in black ink, appearing to read "Carnitra White", is written over a circular stamp or watermark.

Carnitra White  
Principal Deputy Secretary

Enclosures:

cc:

Gloria Brown Burnett, Deputy Secretary for Operations  
Daniel Wait, Deputy Secretary for Talent & Customer Service  
Webster Ye, Chief of Staff  
Jarnice Johnson, Executive Director, CSA  
Christina Tabuteau, Deputy Executive Director of Operations, CSA  
Samantha Phillips, Acting Deputy Executive Director of Programs, CSA  
Marva Sutherland, Inspector General  
Shelly-Ann Dyer, Assistant Inspector General for Audits

# Department of Human Services Child Support Administration

## Agency Response Form

### Driver's License Suspension

**Finding 1**  
**The Child Support Administration (CSA) did not have sufficient procedures to ensure that the Maryland Department of Transportation Motor Vehicle Administration (MVA) suspended the driver's licenses of non-custodial parents (NCPs) who were delinquent in their child support payments.**

We recommend that CSA develop procedures to ensure that driver's licenses are being properly suspended, including the review of rejections by the MVA, and to provide corrected information to the MVA to process driver's license suspensions (repeat).

Agency Response			
<b>Analysis</b>			
<b>Please provide additional comments as deemed necessary.</b>	CSA does not agree that this is a repeat finding. Detailed explanation is provided below.		
<b>Recommendation 1</b>	<b>Not Factually Accurate</b>	<b>Estimated Completion Date:</b>	N/A
<b>Please provide details of corrective action or explain disagreement.</b>	<p>The Child Support Administration (CSA) respectfully disagrees with this finding being categorized as a repeat condition as we have diligently addressed the primary recommendation of the prior audit, which stated: We recommend that CSA work with MVA to reestablish the possible match program, review possible matches identified, and report corrected information to MVA to process drivers' license suspensions.</p> <p>Specifically,</p> <ul style="list-style-type: none"> <li>● <b>Collaboration with MVA to Reinstate Possible Match Reporting:</b> CSA engaged in constructive discussions with the MVA on August 18, 2022, to explore the possibility of reinstating the "Possible Match" reporting system.</li> </ul> <p>Under the Possible Match process, CSA would send a list of offenders to suspend. If the automated matching system was unable to locate an exact match in the MVA system, the system was programmed to return to CSA information on the 10 closest matches including Providing Personally Identifiable Information</p>		

**Department of Human Services  
Child Support Administration**

**Agency Response Form**

(PII) from the MVA database. Providing PII to a third party for customers who have nothing to do with a particular transaction presents a potential privacy exposure that MVA does not view as an acceptable risk. As such, MVA has decided to discontinue the match program. We acknowledge MVA's decision not to reinstate this program, based on their valid concerns regarding the protection of Personally Identifiable Information (PII) for individuals who are not CSA clients. MVA's written explanation has been shared with the legislative auditors.

- **Commitment to Accuracy and Fairness:** We are committed to minimizing potential harm to our customers. CSA will continue to implement a balanced approach, prioritizing both accuracy and fairness. We will:
  - Continue to maintain a strong working relationship with the MVA to ensure the ongoing accuracy and efficiency of the Driver's License Suspension program. For example, MVA began providing a return file of matches and **non matches**. If a person shows up as a non-match, the portion of the record that did not match is highlighted in the returned file. CSA agrees to enhance our procedures to include a review of the non-match information and provide corrected information to MVA to process driver's license suspensions. Specifically, we are enhancing existing reports to include a "No Match" report for our local offices to identify and address data discrepancies. The aforementioned report will be released for local use by May of 2025. Training on how to review this report will be provided. Corrections will be sent to MVA at the end of each month through the match process.

In essence, CSA has made a concerted effort to address the previous audit recommendation, including a collaborative approach with the MVA. We remain dedicated to ensuring the integrity of our processes and will continue to work diligently to minimize errors and protect the rights of our customers, while respecting the MVA's policies.



**Department of Human Services  
Child Support Administration**

**Agency Response Form**

**Auditor's Comment:** CSA disagrees with our determination that this finding is repeated from our preceding audit report. While we acknowledge that CSA worked with the MVA to reestablish a match program, as noted in our current report, CSA was still not investigating rejected referrals. Therefore, CSA did not provide correct information to the MVA to process license suspensions. These are the same conditions that we noted in our preceding audit report and as such, we continue to consider this a repeat finding.

AUDIT TEAM

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