

Audit Report

Department of Public Safety and Correctional Services Regional Operations

October 2026

Public Notice

In compliance with the requirements of the State Government Article Section 2-1224(i), of the Annotated Code of Maryland, the Office of Legislative Audits has redacted cybersecurity findings and related auditee responses from this public report.



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DEPARTMENT OF LEGISLATIVE SERVICES
MARYLAND GENERAL ASSEMBLY

Joint Audit and Evaluation Committee

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DEPARTMENT OF LEGISLATIVE SERVICES
OFFICE OF LEGISLATIVE AUDITS
MARYLAND GENERAL ASSEMBLY

October 5, 2026

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 Public Safety and Correctional Services (DPSCS) Regional Operations for the period beginning January 22, 2022 and ending March 8, 2026. This audit of the Regional Operations covered certain fiscal activities performed by the 5 regional fiscal offices on behalf of the 18 DPSCS correctional and pretrial facilities located in the State, as well as the Division of Parole and Probation.

Our audit disclosed that employee overtime at DPSCS' facilities, which according to State records totaled \$203.3 million during fiscal year 2025, was not always pre-approved, and was not restricted to a maximum of 80 hours per pay period, as required by DPSCS policy. This condition was commented on in our prior report but not corrected.

Furthermore, our audit disclosed a cybersecurity-related finding. However, in accordance with the State Government Article, Section 2-1224(i) of the Annotated Code of Maryland, we have redacted the finding from this audit report. Specifically, State law requires the Office of Legislative Audits to redact cybersecurity findings in a manner consistent with auditing best practices before the report is made available to the public. The term "cybersecurity" is defined in the State Finance and Procurement Article, Section 3.5-301(c), and using our professional judgment we have determined that the redacted finding falls under the referenced definition. The specifics of the cybersecurity finding were previously communicated to those parties responsible for acting on our recommendations.

DPSCS' response to this audit is included as an appendix to this report. Consistent with State law, we have redacted the elements of DPSCS' response related to the cybersecurity audit finding. In accordance with State law, we reviewed the response and noted agreement to our findings and related recommendations and will notify DPSCS of any needed clarification to ensure the responses sufficiently address the related findings.

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

Respectfully submitted,

Brian S. Tanen

Brian S. Tanen, CPA, CFE
Legislative Auditor

Background Information

Agency Responsibilities

The Department of Public Safety and Correctional Services (DPSCS) has statewide responsibility for the supervision and rehabilitation of incarcerated and paroled individuals through its correctional institutions and parole and probation programs. DPSCS also sets standards for criminal justice training and operates criminal justice information systems. This audit of DPSCS Regional Operations included certain financial activities of DPSCS' five regional fiscal offices and the Division of Parole and Probation, which had total expenditures of approximately \$1.5 billion during fiscal year 2025 (see Figure 1). These five regional offices support 18 DPSCS facilities as detailed in Figure 2.

Figure 1
Regional Operations Positions, Expenditures,
and Funding Sources

Full-Time Equivalent Positions as of June 30, 2025	
	Positions
Filled	7,005
Vacant	649
Total	7,654
Fiscal Year 2025 Expenditures	
	Expenditures
Salaries, Wages & Fringe Benefits	\$1,012,748,619
Technical and Special Fees	934,101
Operating Expenses	534,357,943
Total	\$1,548,040,663
Fiscal Year 2025 Funding Sources	
	Funding
General Fund	\$1,505,565,681
Special Fund	14,275,478
Federal Fund	27,105,677
Reimbursable Fund	1,093,827
Total	\$1,548,040,663

Source: State financial and personnel records

Figure 2

List of Regional Offices and Supported DPSCS Facilities

Jessup Regional Office	
Baltimore City Correctional Center	Dorsey Run Correctional Facility
Maryland Correctional Institution - Jessup	Patuxent Institution
Central Maryland Correctional Facility	Maryland Correctional Institution for Women
Jessup Correctional Institution	
Baltimore Regional Office	
Baltimore Central Booking and Intake Center	Youth Detention Center
Metropolitan Transition Center	Maryland Reception, Diagnostic, and Classification Center*
Chesapeake Detention Facility	
Hagerstown Regional Office	
Maryland Correctional Institution - Hagerstown	Maryland Correctional Training Center
	Roxbury Correctional Institution
Cumberland Regional Office	
North Branch Correctional Institution	Western Correctional Institution
Eastern Shore Regional Office	
Eastern Correctional Institution and Annex	

Source: DPSCS

*DPSCS depopulated this facility effective December 4, 2025.

We reviewed activities for these regional fiscal offices that were unique to the facilities, such as inmate cash receipts, inmate funds, and the biometric timekeeping system used by correctional officers. According to DPSCS records, during calendar year 2025, inmate fund collections and disbursements totaled \$79.2 million and \$81.7 million, respectively.

We conduct separate audits of DPSCS Central Operations, DPSCS Regional Operations, DPSCS Information Technology and Communications Division, and Maryland Correctional Enterprises. Certain DPSCS fiscal and operational activities are subject to audit during the DPSCS Central Operations audit, including:

- DPSCS payroll processed within the Statewide Personnel System,

- procurement and disbursement transactions (including corporate purchasing card activity),
- equipment accountability,
- information systems controls, and
- non-inmate cash receipts.

The Information Technology and Communications Division audit includes the activities associated with the maintenance and support of DPSCS' information systems, and the Maryland Correctional Enterprises audit includes the work and job training provided to inmates of the Maryland correctional system.

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 July 20, 2023. See Figure 3 for the results of our review.

Figure 3 Status of Preceding Findings		
Preceding Finding	Finding Description	Implementation Status
Finding 1	Redacted cybersecurity-related finding. ¹	Status Redacted ¹
Finding 2	Employee overtime at DPSCS' facilities was not always pre-approved and supported and was not restricted to a maximum of 80 hours per pay period, as required by DPSCS policy.	Repeated (Current Finding 2)
Finding 3	DPSCS did not maintain certain documentation supporting the propriety of time recorded on the biometric timekeeping system.	Not repeated
Finding 4	DPSCS did not establish adequate controls over inmate fund collections at the Jessup fiscal office to ensure collections were deposited and recorded timely.	Not repeated
Finding 5	Monthly reconciliations of inmate funds recorded in MOBS III to the related Comptroller of Maryland's records were not performed timely or sufficiently comprehensive.	Not repeated

¹ The finding description as well as the implementation status of this cybersecurity-related finding has been redacted from the publicly available report in accordance with State Government Article Section 2-1224(i) of the Annotated Code of Maryland.

Findings and Recommendations

Payroll

We determined that Finding 1 related to “cybersecurity,” as defined by the State Finance and Procurement Article, Section 3.5-301(c) of the Annotated Code of Maryland, and therefore is subject to redaction from the publicly available audit report in accordance with the State Government Article 2-1224(i). Consequently, the specifics of the following finding, including the analysis, related recommendation(s), along with DPSCS’ responses, have been redacted from this report copy.

Finding 1
Redacted cybersecurity-related finding.

Finding 2
Employee overtime at DPSCS’ facilities was not always pre-approved, and was not restricted to a maximum of 80 hours per pay period, as required by DPSCS policy.

Analysis

Employee overtime at DPSCS’ facilities was not always pre-approved and was not restricted to a maximum of 80 hours per pay period. The DPSCS *Overtime Policy - Correctional Staff* requires supervisors to pre-approve overtime before it is worked and prohibits employees from working more than 80 hours of overtime in a pay period. According to State records, during fiscal year 2025 the payroll for DPSCS Regional Operations totaled approximately \$1 billion, including overtime totaling \$203.3 million (20 percent).

Our review² of eight DPSCS facilities disclosed that employee overtime was not pre-approved as required. Specifically, four facilities with fiscal year 2025 overtime payments totaling \$50.1 million, advised they did not document the pre-approval of employee overtime. In addition, while the other four facilities had a process to document pre-approval, our test of 718 hours of overtime worked by 9 employees³ between July 2024 and March 2026 totaling \$51,500, disclosed that pre-approval was not documented for 8 employees with 397 hours of overtime totaling \$21,000. In response to our inquiries, DPSCS reviewed the overtime

² Facilities were reviewed based on materiality of the overtime payments. Specifically, the eight facilities accounted for \$108.6 million (53 percent) of total overtime during fiscal year 2025.

³ Test items were selected based on materiality of the overtime payments.

worked by these 8 employees and determined that 12 hours worked by one employee totaling \$560 were recorded in error. DPSCS subsequently took action to recover these funds.

Furthermore, we noted that DPSCS did not have effective controls to limit overtime to 80 hours per pay period. Specifically, although DPSCS reviewed employee overtime, the reviews did not curtail the employees working more than 80 hours. Our review of State records for all DPSCS Regional Operations employees during fiscal year 2025 disclosed 6,631 instances in which 1,203 employees were paid for working more than 80 hours of overtime in a pay period which is consistent with the results of our prior audit.⁴ For example, 121 employees worked over 100 hours of overtime in a pay period, including five employees with over 140 hours of overtime during a single pay period.

Similar conditions regarding DPSCS not pre-approving overtime and employees working more than 80 hours per pay period were noted in our two preceding audit reports dating back to September 2019. In response to the prior audit report, DPSCS agreed to implement the related recommendations by August 2023. However, DPSCS management advised that they could not enforce existing policies or maintain the related controls because of correctional officer staffing shortages.⁵ We were also advised by DPSCS management that several factors contributed to the overtime including facilities requiring 24-hour staffing, special assignment posts such as hospital visits, and employees earning overtime on days they use leave (other than sick leave) as allowed by the DPSCS employee union agreement.

Recommendation 2

We recommend that DPSCS

- a. ensure the required pre-approval of overtime hours to be worked is obtained or, absent pre-approval, that an employee is prohibited from working overtime (repeat); and**
- b. establish controls to ensure that employees do not work more than 80 overtime hours in a pay period (repeat).**

⁴ Our prior audit reported 6,773 instances in which 1,119 employees were paid for working more than 80 hours of overtime in a pay period during calendar year 2021.

⁵ The Department of Legislative Services budget analysis reported a 10.8 percent correctional officer vacancy rate as of December 2024.

Audit Scope, Objectives, and Methodology

We have conducted a fiscal compliance audit of the Department of Public Safety and Correctional Services (DPSCS) Regional Operations for the period beginning January 22, 2022 and ending March 8, 2026. 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 DPSCS' 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 inmate funds and payroll activity unique to the regional fiscal offices, including the timekeeping system. We also determined the status of the findings contained in our preceding audit report.

Our audit did not include certain support services provided to DPSCS – Regional Operations by DPSCS – Central Operations. These support services (such as procurements, disbursements, equipment, processing of certain payroll transactions, and corporate purchasing card activity) are included within the scope of our audit of the DPSCS – Central Operations. Our audit also did not include the activities of the DPSCS Information Technology and Communications Division and the Maryland Correctional Enterprises, which are audited separately.

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 January 22, 2022 to March 8, 2026, 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, inspection of documents and records, tests of transactions, and to the extent practicable, observations of DPSCS' 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 revenue data), and the State's Central Payroll Bureau (payroll 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 DPSCS' biometric timekeeping system used for recording correctional employee time for the purpose of testing the propriety of employee earnings, including overtime. We performed various tests of the relevant data and determined that the data were sufficiently reliable for the purposes the data 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.

DPSCS' 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 DPSCS, 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 findings relating to conditions that we consider to be significant deficiencies in the design or operation of internal control that could adversely affect DPSCS' 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. Other less significant findings were communicated to DPSCS that did not warrant inclusion in this report.

State Government Article Section 2-1224(i) requires that we redact in a manner consistent with auditing best practices any cybersecurity findings before a report is made available to the public. This results in the issuance of two different versions of an audit report that contains cybersecurity findings – a redacted version for the public and an unredacted version for government officials responsible for acting on our audit recommendations.

The State Finance and Procurement Article, Section 3.5-301(c), states that cybersecurity is defined as “processes or capabilities wherein systems, communications, and information are protected and defended against damage, unauthorized use or modification, and exploitation.” Based on that definition, and in our professional judgment, we concluded that a finding in this report falls under that definition. Consequently, for the publicly available audit report all specifics as to the nature of the cybersecurity finding and required corrective actions have been redacted. We have determined that such aforementioned practices, and government auditing standards, support the redaction of this information from the public audit report. The specifics of the cybersecurity finding have been communicated to DPSCS and those parties responsible for acting on our recommendations in an unredacted audit report.

The response from DPSCS, on behalf of the regional fiscal offices and the Division of Parole and Probation, to our findings and recommendations is included as an appendix to this report. Depending on the version of the audit report, responses to any cybersecurity findings may be redacted in accordance with State law. As prescribed in the State Government Article, Section 2-1224 of the Annotated Code of Maryland, we will advise DPSCS 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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October 1, 2026

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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:

The Department of Public Safety and Correctional Services (DPSCS) has reviewed the Draft Audit Report dated September 2026 for the DPSCS – Regional Operations. We acknowledge the findings and recommendations that were made as the result of this audit.

Please find attached the Department's itemized responses to the findings and recommendations and some additional comments about Finding #2. Corrective action has or will be taken for all the findings identified in your audit, and the Office of the Inspector General will conduct periodic follow-up reviews to monitor the status of compliance.

If you have any questions regarding this response, please contact me.

Sincerely,

Carolyn J. Scruggs
Secretary

Attachments

Cc: Adam Flasch, Deputy Chief of Staff for Public Safety and Homeland Security

Department of Public Safety and Correctional Services

Regional Operations

Agency Response Form

Payroll

The Office of Legislative Audits (OLA) has determined that Finding 1 related to “cybersecurity,” as defined by the State Finance and Procurement Article, Section 3.5-301(c) of the Annotated Code of Maryland, and therefore is subject to redaction from the publicly available audit report in accordance with the State Government Article 2-1224(i). Although the specifics of the finding, including the analysis, related recommendation(s), along with DPSCS’ responses, have been redacted from this report copy, DPSCS’ responses indicated agreement with the finding and related recommendations.

Finding 1
Redacted cybersecurity-related finding.

Agency Response has been redacted by OLA.

Finding 2
Employee overtime at DPSCS’ facilities was not always pre-approved, and was not restricted to a maximum of 80 hours per pay period, as required by DPSCS policy.

We recommend that DPSCS

- a. ensure the required pre-approval of overtime hours to be worked is obtained or, absent pre-approval, that an employee is prohibited from working overtime (repeat); and**
- b. establish controls to ensure that employees do not work more than 80 overtime hours in a pay period (repeat).**

Agency Response			
Analysis			
Please provide additional comments as deemed necessary.			
Recommendation 2a	Agree	Estimated Completion Date:	11/30/2026

Department of Public Safety and Correctional Services

Regional Operations

Agency Response Form

Please provide details of corrective action or explain disagreement.	DPSCS will ensure the required pre-approval of overtime hours to be worked is obtained or, absent pre-approval, that an employee is prohibited from working overtime. DPSCS will review its existing corrective action plan to ensure pre-approval of overtime, make improvements as needed, and conduct audits to verify compliance. In addition, DPSCS continues to negotiate a union agreement which will include a revised DPSCS Overtime Policy that will hopefully allow for flexibility and limited exceptions to the pre-approval of overtime, provided there is documentation of the justification (Note: this is not linked to the estimated completion date).		
Recommendation 2b	Agree	Estimated Completion Date:	11/30/2026
Please provide details of corrective action or explain disagreement.	DPSCS will establish controls to ensure that employees do not work more than 80 overtime hours in a pay period. DPSCS will review its existing corrective action plan to ensure employees do not exceed 80 overtime hours, make improvements as needed, and conduct audits to verify compliance. In addition, DPSCS continues to negotiate a union agreement which will include a revised DPSCS Overtime Policy that will hopefully allow for flexibility and limited exceptions to the 80 hours overtime maximum, provided there is documentation of the justification and prior authorization, including all steps taken to avoid exceeding the 80 hours overtime limit (Note: this is not linked to the estimated completion date).		

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