

Audit Report

Department of Human Services Social Services Administration

September 2025



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

September 12, 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) – Social Services Administration (SSA) for the period beginning May 1, 2020 and ending May 31, 2024. Our two prior audits determined that SSA’s accountability and compliance level was unsatisfactory in accordance with the rating system we established in conformity with State law. Our current audit disclosed that SSA had not sufficiently resolved 6 of the 8 findings in our prior report, certain of which have been repeated since 2008. Based on the nature, significance, and duration of the findings in the current audit, we have again concluded that SSA’s accountability and compliance level remains unsatisfactory for the third consecutive audit.

SSA supervises, directs, and monitors the social services programs of the State’s 24 local departments of social services (LDSSs). According to SSA records, during fiscal year 2024, approximately 24,000 children participated in SSA programs and were served by 12,500 providers/parents at a cost of \$359.4 million. Our audit disclosed that SSA had not established a comprehensive and effective quality assurance program to ensure that the LDSSs were properly administering these programs. As a result, we noted numerous issues that impacted the safety and wellbeing of children participating in SSA programs and the potential loss of State funds.

Specifically, our audit disclosed that SSA did not have comprehensive procedures to ensure individuals with disqualifying criminal backgrounds did not have access to children in the State’s care. As a result, SSA was not aware of the 7 registered sex offenders we identified that had the same address as an approved guardianship

home housing 10 children as of August 2024 and had not identified that an individual employed by a group foster care home had been convicted of sexual assault of a minor. This individual was subsequently charged with crimes involving children under his care.

SSA also did not ensure that data on its automated system used to monitor the LDSSs was accurate, and did not ensure foster care children received required medical and dental exams, and were placed in settings authorized by State law. We noted numerous children for which there was no support that educational and health services were provided and who were placed in unauthorized settings without appropriate supervision. SSA also did not take appropriate corrective action when the LDSSs did not conduct timely child abuse and neglect investigations and did not report investigations that were not completed timely to the General Assembly, as required by State law.

Furthermore, SSA did not meet federal foster care service performance requirements resulting in penalties totaling \$698,296. SSA also did not investigate and recover up to \$34.5 million in overpayments to public foster care providers, guardians, and adoption subsidy recipients. In addition, SSA did not ensure federal eligibility determinations were performed properly and timely, resulting in the potential loss of up to \$23 million and did not request federal reimbursement for certain eligible expenditures, resulting in at least \$2.6 million not being recovered.

Finally, we noted that SSA did not ensure that \$27.6 million in payments to a State university were adequately supported and in accordance with the terms of the related agreements and that LDSSs established and properly maintained required trust accounts to conserve federal benefits received by foster children.

DHS' response to this audit, on behalf of SSA, is included as an appendix to this report. In accordance with State law, we have reviewed the response and, while DHS generally agrees with the recommendations in this report, we identified certain instances in which statements in the response disagree or appear to be inconsistent with a report finding and recommendations. In each instance, we reviewed and reassessed our audit documentation, and reaffirmed the validity of our finding. In accordance with generally accepted auditing standards, we have included "auditor's comments" 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 SSA.

We wish to acknowledge the cooperation extended to us during the audit by SSA and its agreement to implement the audit recommendations.

Respectfully submitted,

Brian S. Tanen

Brian S. Tanen, CPA, CFE
Legislative Auditor

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

Background Information

Agency Responsibilities

The Department of Human Services (DHS) – Social Services Administration (SSA) supervises, directs, and monitors social services programs, which are administered by the local departments of social services (LDSSs) located in each of the State’s 24 local subdivisions.¹ These programs, which include foster care, adoption and guardianship assistance, and child protective services, are designed to prevent or remedy abuse, neglect, and exploitation of children and families.

During fiscal year 2024, SSA expenditures totaled approximately \$378.8 million (see Figure 1), of which \$359.4 million related to payments to parents and providers participating in the foster care and adoption and guardianship assistance programs. Expenditures have significantly increased during the audit period (from \$296.1 million in fiscal year 2019) primarily due to an increase in provider rates as well as increased usage of one-on-one vendors, which is further commented upon in Finding 6. During the period from June 30, 2021 to June 30, 2024, SSA had vacancy rates that ranged from 12.1 percent to 22.2 percent. As of June 30, 2024, approximately 19 percent of the total 141 positions were vacant. These vacancies may have contributed, at least in part, to the findings in this report.

SSA pays foster care providers, adoptive parents, and guardians monthly based on rates established in State regulations or through a negotiation process to cover the costs for basic physical care, food, clothing, and shelter for the children. SSA also provides the LDSSs with funds to purchase goods and services to support a family’s service plan when no other resource is available. For example, these ancillary funds may be used for special educational services, psychological treatment, vocational training, transportation costs, personal care supplies, day care services, furniture, appliances, and automobile operating and maintenance costs.

¹ Organizationally, SSA does not have direct oversight of or control over the LDSSs or their operations. The LDSSs are autonomous units within DHS, directly answerable to the DHS Secretary.

Figure 1
SSA Positions, Expenditures, and
Funding Sources

Full-Time Equivalent Positions as of June 30, 2024	
	Positions
Filled	114
Vacant	27
Total	141
Fiscal Year 2024 Expenditures	
	Expenditures
Salaries, Wages, and Fringe Benefits	\$ 14,193,255
Technical and Special Fees	94,065
Operating Expenses	364,556,089 ²
Total	\$378,843,409
Fiscal Year 2024 Funding Sources	
	Funding
General Fund	\$284,013,208
Special Fund	2,225,385
Federal Fund	92,604,816
Total	\$378,843,409

Source: State financial records and personnel records

² Operating Expenses includes payments to parents and providers participating in the foster care and adoption and guardianship assistance programs. These payments are budgeted separately from SSA.

Status of Findings From Preceding Audit Report

Our audit included a review to determine the status of the eight findings contained in our preceding audit report dated June 3, 2021. See Figure 2 for the results of our review.

In our preceding two audit reports dating back to November 2017, we reported that SSA's accountability and compliance level was unsatisfactory, in accordance with the rating system we established in conformity with State law. Based on the results of our current audit, we have concluded that SSA's accountability and compliance level remains unsatisfactory. The significance of the findings and the number of repeated findings are the primary factors contributing to the current unsatisfactory rating.

Figure 2 Status of Preceding Findings		
Preceding Finding	Finding Description	Implementation Status
Finding 1	Although the Social Services Administration (SSA) had implemented certain processes to monitor the administration of child welfare program services by the State's local departments of social services (LDSSs), we found they were not necessarily comprehensive or effective.	Repeated (Current Finding 1)
Finding 2	SSA had not established effective monitoring of the LDSSs to ensure that foster children were placed in the least restrictive environment and received required services.	Repeated (Current Finding 5)
Finding 3	SSA's monitoring process was not effective for both ensuring timeliness of child abuse and neglect investigations and for the required assessments of substance-exposed newborns conducted by the LDSSs.	Repeated (Current Finding 10)
Finding 4	SSA lacked adequate controls to ensure the LDSSs were immediately notified of children born to individuals who previously had their parental rights terminated for abuse or neglect.	Not repeated
Finding 5	SSA did not have an effective process for ensuring the propriety and timeliness of Title IV-E eligibility determinations and redeterminations, and had not conducted quality assurance reviews; both of which resulted in a potential loss of federal funds.	Repeated (Current Finding 12)
Finding 6	SSA did not pursue the collection of approximately \$4.8 million in provider overpayments.	Repeated (Current Finding 8)
Finding 7	SSA had not established procedures to ensure that adoption assistance payments funded entirely by the State were suspended when an adopted child was removed from the adoptive home.	Not repeated
Finding 8	SSA did not ensure that payments made to a State university for three interagency agreements were adequately supported, were reasonable in related to the tasks performed, and were made in accordance with the terms of the agreements.	Repeated (Current Finding 14)

Findings and Recommendations

Local Department of Social Services Oversight

Finding 1

The Social Services Administration (SSA) had not implemented comprehensive quality assurance processes and effective oversight of the State’s Local Departments of Social Services’ (LDSSs) administration of child welfare programs.

Analysis

SSA had not implemented comprehensive quality assurance processes and effective oversight of the LDSSs’ administration of the foster care, adoption, guardianship, and child protective services programs. The independent LDSSs are responsible for providing and overseeing specific critical program services and functions (see Figure 3) as dictated by State law and regulations with policy direction from SSA. SSA is responsible for ensuring that the LDSSs perform their responsibilities in accordance with those laws, regulations, and policies. Without effective and comprehensive oversight processes outlined in written procedures, SSA cannot be assured that all required program services and functions were being effectively and properly carried out by the LDSSs.

This report details specific instances in which SSA did not ensure that required critical child welfare program services and functions had been conducted by the LDSSs, including two findings related to these programs repeated from our preceding audit report. Although SSA had certain procedures for monitoring the services and functions performed by the LDSSs, these procedures were not always sufficient as evidenced by the findings in this report.

Figure 3 Critical LDSS Services and Functions

- Approve foster care providers
- Place children with providers
- Ensure children receive necessary services, such as medical and dental care
- Perform monthly visitations with children under care
- Verify provider compliance with regulatory requirements
- Review, assess, and investigate child abuse and neglect allegations

Similar conditions regarding SSA’s lack of a comprehensive and effective process to ensure the LDSSs effectively administered child welfare program services were commented upon in our two preceding audit reports dating back to November 2017. In response to our prior report, DHS, on behalf of SSA, indicated that it would implement comprehensive quality assurance procedures to monitor the LDSSs by December 2021. Although SSA developed certain procedures to

monitor LDSS compliance, we determined that these procedures still did not ensure the LDSSs were properly administering the programs.

Recommendation 1

We recommend that SSA establish comprehensive quality assurance processes to ensure its child welfare programs are effectively and properly administered by the LDSSs. Specifically, we recommend that SSA modify its existing processes to ensure that they provide comprehensive written procedures for monitoring program services and functions to ensure compliance with applicable laws, regulations, and policies; appropriate and timely recordkeeping; and the maintenance of supporting documentation relating to services and functions performed (repeat).

Criminal Background Checks

Finding 2

SSA did not have comprehensive procedures to ensure individuals with disqualifying criminal backgrounds did not interact with children under its care. As a result, SSA did not identify multiple individuals with disqualifying convictions that were in positions to interact with children.

Analysis

SSA did not have comprehensive procedures to ensure individuals with disqualifying criminal backgrounds were not in a position to interact with children under its care. As a result, SSA did not identify multiple individuals with disqualifying convictions that were in positions to interact with children. State laws and regulations require individuals with unsupervised access to children to have criminal background checks, and specify crimes that disqualify individuals from providing services.

Guardianship Homes

SSA did not ensure that adults convicted of disqualifying crimes were not residing at homes approved for the guardianship program. The LDSSs are responsible for obtaining criminal background checks for all adults residing in the household when the home is initially approved for the program. According to SSA records, there were 2,463 guardianship homes during fiscal year 2024. Our review disclosed that SSA did not conduct periodic follow up to identify any new adults in the home subsequent to the initial approval. In this regard, as noted in Finding 3, we identified seven individuals on the Maryland Sex Offender Registry (SOR) whose address was associated with a guardianship home.

One-on-One Services Vendors

SSA did not have a procedure to ensure that criminal background checks were obtained for vendors that provided one-on-one services to foster care children in hotels. According to SSA records, during fiscal years 2023 and 2024, SSA used 14 vendors to provide continuous care for children in hotels, including transportation to school and medical appointments, administering medication, and meal preparation. Our review disclosed that these vendors were not subject to LDSS or DHS Office of Licensing and Monitoring (OLM)³ oversight and consequently criminal background checks for the vendors' employees were not obtained.

Our Data Analytics Unit independently obtained State wage data from the Maryland Department of Labor and conviction records from the Maryland Department of Public Safety and Correctional Services between October 2020 and December 2023. Our match of these data disclosed that one vendor employed an individual who was convicted of murder in 1990, which would preclude them from working with children. SSA was not aware of the conviction and could not readily determine if this individual had or continues to have unsupervised access to children.

Foster Care

SSA did not always ensure that criminal background checks were performed and documented for individuals working or residing at locations housing foster care children. According to SSA records, there were 109 group foster care homes and 1,275 family foster care homes during fiscal year 2024.

- SSA relied on OLM to ensure that all employees in group foster care homes were subject to criminal background checks without any independent verifications by SSA. In this regard, in June 2023, an individual employed by one group foster care home since December 2022 allegedly transported three foster care children for inappropriate activity for which a Washington County LDSS' investigation concluded that there was evidence of abuse. Although OLM reviewed this home in April 2023 (which included this individual), they did not identify the individual was convicted of sexual assault of a minor in 2014 and was listed on the SOR. SSA also could not document any corrective action as a result of this incident to ensure the criminal background checks were in fact obtained at these facilities.

³ OLM licenses and monitors group home foster care providers for compliance with applicable laws and regulations designed to safeguard the health, safety, and well-being of children.

- SSA could not support the conclusions reached during periodic reviews of family foster care homes. The LDSSs were responsible for ensuring foster care homes complied with State regulations including criminal background checks and SSA is responsible for verifying the propriety of the LDSSs' determinations. We tested 10 foster care homes that SSA reviewed in December 2023⁴ and noted that SSA concluded that background checks were performed for all individuals in these homes even though there was no evidence of a criminal background check for individuals in 5 of the homes raising questions about the sufficiency and propriety of the reviews. We did not identify any disqualifying criminal convictions for individuals in these homes.

Recommendation 2

We recommend that SSA

- a. work in conjunction with the LDSS and OLM to establish comprehensive procedures to ensure that all individuals who are in positions to interact with children under SSA's care comply with criminal background check requirements; and**
- b. take appropriate action when disqualifying criminal activity is identified, including those noted above, and maintain documentation of all actions taken.**

Finding 3

SSA did not have a process to periodically reconcile the Maryland Sex Offender Registry (SOR) to its records of SSA providers and vendors to identify any sex offenders with potential access to children.

Analysis

SSA did not have a process to periodically reconcile the SOR to its records of SSA providers and vendors to identify any sex offenders with potential access to children. Our Data Analytics Unit conducted matches between the SOR as of June 2024 and approximately 240,000 unique records⁵ (see Figure 4).

⁴ Test items were selected based on significance and risk.

⁵ Specifically, the SOR was matched against Individuals Working for SSA Vendors between October 2020 and December 2023, and Foster Care Parents and Guardianship Homes (addresses) between May 2020 to August 2024.

Figure 4
OLA Matches to Sex Offender Registry

Category	Records	Matches to SOR
Individuals Working for SSA Vendors	222,547	0
Foster Care Parents	8,746	0
Guardianship Homes	8,762	7
Total	240,055	7

Our matches identified 7 registered sex offenders with the same address as an approved guardianship home. According to SSA records, there were 10 children placed at these homes as of August 2024. For example, one individual convicted of sexual misconduct with a minor had the same address as a guardianship home with 4 children between the ages of 4 and 8. SSA was not aware of any of these individuals until we provided them our match results in December 2024.

Recommendation 3

We recommend that SSA

- a. develop a process to obtain and periodically reconcile the Maryland Sex Offender Registry to its records of SSA providers and vendors, and**
- b. take appropriate action for any individuals identified, including those noted above.**

Child, Juvenile, and Adult Management System (CJAMS)

Finding 4

SSA did not ensure that data on its Child, Juvenile, and Adult Management System (CJAMS) used to monitor the LDSSs was accurate and supported.

Analysis

SSA did not ensure that data on CJAMS used to monitor the LDSSs was accurate and supported. SSA management informed us that in July 2020 CJAMS was implemented to replace its legacy child welfare information system. CJAMS functions as the statewide child welfare, foster care, and adoption case management tool. CJAMS was also used to process transactions, such as payments made on behalf of children under SSA's supervision, and as the official record of all social services program activity. In June 2023, SSA established procedures using reports generated from CJAMS to assess the LDSSs' achievement of established performance standards.

Our review disclosed that although SSA performed semi-annual reviews to verify that appropriate support (such as, evidence of a medical exam) was recorded in CJAMS, it did not ensure that instances of missing or inaccurate documentation identified by these reviews were corrected. For example, SSA determined there was no support that initial health exams were performed for 59 of the 453 foster children tested during its December 2023 review as indicated in the CJAMS data.

SSA could not document its efforts to correct these deficiencies and our test of 10 of these children disclosed that, as of September 2024, CJAMS still inaccurately reflected that initial health exams were performed for 8 of the children. Similarly, while CJAMS reflected that virtually all 1,400 school-aged children⁶ attended school during fiscal year 2024, our test of 40 of these children⁷ disclosed that there was no evidence of attendance (such as a report card) recorded in CJAMS for 15 children.

Recommendation 4

We recommend that SSA establish procedures to ensure CJAMS data is accurate and supported.

Foster Care, Adoption, and Guardianship

Background

The foster care program provides alternate settings and supportive services to children who are unable to live at home for various reasons, such as abuse and neglect. Children are assigned foster status as the result of legal action by the applicable courts or through voluntary placement. State regulations provide that the LDSSs are responsible for placing children, in order of preference, with a relative, in a family foster home, or in a group care setting. Children with serious emotional, behavioral, medical, or psychological conditions may be placed in treatment foster care.

The goal of the foster care program is to secure a permanent living arrangement (such as reunification, adoption, or guardianship) for these children. SSA provides financial assistance for individuals who adopt or become the legal guardians of foster children. Adoptive parents are given all the legal rights and responsibilities that once belonged to the biological parents, while guardians have the full legal responsibility for the applicable child without terminating the

⁶ Our total included all children ages 5-17 that had been in care for at least one year, as of May 2024.

⁷ Our test items were selected based on risk and materiality with an emphasis on LDSS variation.

parental rights of the child’s biological parents. As shown in Figure 5, expenditures for these programs during fiscal year 2024 totaled approximately \$359.4 million.

Figure 5
Summary of Fiscal Year 2024 Foster Care, Adoption, and
Guardianship CJAMS Data

Category	Number of Children During Year	Number of Providers / Parents	Expenditures (In Millions)
Treatment Foster Care	1,460	43	\$59.8
Group Foster Care	1,180	109	125.4
Adoption Assistance	5,234	3,544	50.0
Guardianship Assistance	3,394	2,463	30.2
Family Foster Care	1,849	1,275	10.6
Teen Mother Foster Care	78	9	4.0
Other Foster Care	455	323	1.9
Subtotal (Maintenance)	13,650	7,766	\$281.9
Ancillary			77.5
Total Expenditures			\$359.4

Source: CJAMS

Finding 5

SSA did not ensure the LDSSs provided foster care children the required medical and dental exams. We identified numerous foster children who did not receive exams within the timeframes required by State regulations.

Analysis

SSA did not ensure the LDSSs provided foster care children the required medical and dental exams. Information on medical and dental exams was recorded in CJAMS which SSA could have used to monitor the LDSSs. While SSA established certain benchmarks for overall LDSS compliance with foster care related services, this data was not utilized to address individual cases that did not comply with State regulations. In this regard our review of CJAMS disclosed that numerous children had not received required medical and dental exams within the timeframes specified in State regulations (see Figure 6).

Specifically, as of May 2024, 640 children had not received a medical exam within the past year, including 110 children who had not received a medical exam for between 2 to 6 years. In addition, 1,635 children had not received a dental exam within the last 6 months, including 140 children who had never received a dental exam and 278 children who had not received a dental exam for between 2 and almost 7 years. State regulations require a comprehensive health assessment within 60 days of entering foster care, and subsequently, at a minimum, an annual medical exam and a dental exam every 6 months.

Figure 6
Untimely Medical and Dental Exams for Foster Care Children

Foster Care Requirement		Total Children	Children Out of Compliance	
			Number	Percent
Medical Exam	Every Year	2,546	640	25%
Dental Exam	Every 6 Months	3,100	1,635	53%

Source: CJAMS

Similar conditions with LDSS noncompliance were commented upon in our two preceding audit reports dating back to November 2017. In response to our most recent report, DHS indicated on behalf of SSA, that it would establish procedures to ensure LDSS compliance with medical and dental requirements by December 2021. However, as noted above, numerous children in foster care were still not receiving the required medical and dental exams.

Recommendation 5

We recommend that SSA ensure compliance with medical and dental requirements for each child (repeat).

Finding 6

SSA did not ensure the LDSSs placed foster care children in settings authorized in State law. We identified 280 children placed in hotels under the supervision of providers that were not licensed and at a significantly higher cost to the State.

Analysis

SSA did not ensure the LDSSs placed foster care children in settings authorized in State law and regulations. State regulations require that children removed from their home be placed in the least restrictive environment, which includes, in order of preference, a relative, a family foster home, or a group care setting.

Our review of SSA records disclosed that 280 foster care children were placed in a hotel under the supervision of a one-on-one vendor between fiscal years 2023 and 2024 including 82 that remained in hotels for between 3 months and 2 years, of which 23 children were still in a hotel as of July 2024. Although SSA management advised us that many of these children had special behavioral or medical needs that required placement with a treatment foster care provider, SSA could not document its efforts to identify appropriate placements for these children. SSA expenditures associated with these 280 children totaled approximately \$10.4 million, consisting of \$942,000 for the hotel costs and \$9.5 million for one-on-one services.⁸

Since one-on-one vendors are not licensed providers, there is a lack of assurance that children in their care received satisfactory services. Other deficiencies related to SSA's use of one-on-one vendors, including a lack of criminal background checks for individuals employed by these vendors, are noted elsewhere in this report. In addition, the aforementioned costs for these children were significantly higher than children placed in other facilities. For example, the cost to provide one-on-one services for one of these children between August 2021 and May 2024 was \$1,259 per day while the highest approved rate for treatment foster care during fiscal year 2024 was \$281 per day.

Recommendation 6

We recommend that SSA ensure all foster children are timely placed in accordance with State law, including those noted above.

Finding 7

SSA did not ensure the LDSSs established and maintained required trust accounts for foster children.

Analysis

SSA did not ensure the LDSSs established and maintained required trust accounts for foster children. The LDSSs apply for federal benefits, such as Supplemental Security Income, on behalf of children in their care. State law requires a portion of any federal benefits received on behalf of children 14 and older to be conserved in a trust account and transferred to the child after they exit the State's care. According to SSA records, as of June 2024, the LDSSs had established trust accounts for 915 children with balances totaling \$1.9 million.

⁸ Expenditures noted include all services received from one-on-one vendors; we could not readily determine if these services would have also been covered or similarly priced in a different placement.

Our review disclosed that SSA did not have procedures to ensure the LDSS established the required trust accounts and to ensure the proper amount of funds were conserved in these accounts. In this regard, our test of 10 children⁹ disclosed the LDSS had not established a trust account for 1 child resulting in approximately \$20,000 in federal benefits received between January 2022 and September 2024 not being conserved for the child. For two other children, the trust accounts were underfunded by approximately \$13,500. For example, the LDSS did not conserve any of the \$7,200 in benefits that one child received between October 2023 and September 2024.

Deficiencies with trust accounts were also noted by the DHS Office of Inspector General (OIG) audits of the LDSSs. For example, the OIG determined that one LDSS did not establish required trust accounts¹⁰ for federal benefits totaling approximately \$33,600 received for 9 foster children.

Recommendation 7

We recommend that SSA

- a. establish procedures to ensure LDSSs establish trust accounts as required, and**
- b. periodically review trust account activity to ensure the account balances are proper.**

Finding 8

SSA did not have comprehensive procedures to identify and recover overpayments to public foster care providers, guardians, and adoption subsidy recipients.

Analysis

SSA did not have comprehensive procedures to investigate and recover overpayments for foster care, guardianship, and adoption subsidies.

Overpayments can occur for multiple reasons, such as payments made for a child no longer in the provider's care. According to State records, during fiscal year 2024, SSA payments to these entities collectively totaled \$90.8 million.

Although SSA generated CJAMS reports of potential overpayments, SSA did not investigate transactions identified on these reports to determine if the funds

⁹ We selected five children aged 14 or older identified as in receipt of federal benefits in our determination testing and five additional children in receipt of SSI based on relative significance of trust account balances as reported in SSA's monitoring report.

¹⁰ Special Needs Trust accounts are established for foster children expected to receive more than \$2,000 in certain federal benefits over a six-month period to ensure the child remains eligible for the benefits.

should be, or had been, recovered. CJAMS reports for fiscal years 2020 through 2024 identified overpayments totaling approximately \$34.5 million. Our test of 15 material overpayments from this period totaling \$1.5 million¹¹ disclosed that SSA had not taken action to recover 5 overpayments totaling \$80,600. In addition, while the other 10 overpayments had been recovered, the recoveries were initiated independently by the LDSSs and SSA was unaware these overpayments were recovered until we brought the matter to its attention in August 2024.

A similar condition regarding SSA not pursuing recovery of provider overpayments was commented upon in our preceding audit report. DHS' response, on behalf of SSA, to that report indicated that it would establish procedures to pursue overpayments by October 2021. As noted above, SSA had still not implemented sufficient procedures to investigate and recover the overpayments.

Recommendation 8

We recommend that SSA establish comprehensive procedures including steps to

- a. investigate potential overpayments identified on the CJAMS reports to determine if funds need to be recovered; and**
- b. ensure collection of provider overpayments is adequately pursued, including those noted above (repeat).**

Finding 9

SSA did not meet federal foster care service performance requirements resulting in penalties totaling \$698,296 being assessed on the State.

Analysis

SSA did not meet federal foster care service performance requirements, resulting in penalties totaling \$698,296 being assessed to the State. The Children's Bureau of the Administration for Children and Families (ACF) within the United States Department of Health and Human Services conducts periodic Child and Family Services Reviews (CFSR) to assess states' foster care performance outcomes. SSA's most recent CFSR conducted in April 2019 determined that SSA was not in compliance with seven performance outcomes.

- Children are safe from abuse and neglect

¹¹ We selected 10 material private provider transactions and 5 material public provider transactions from the CJAMS overpayment report.

- Children are safely maintained at home when possible
- Children have permanent and stable living arrangements
- Continuity of family relationships is preserved
- Families have enhanced capacity to provide for children's needs
- Children receive services to meet their educational needs
- Children receive services to meet their physical and mental health needs

In July 2019, SSA submitted a corrective action plan to ACF, allowing SSA to continue to receive federal funding and temporarily avoid penalties for noncompliance. In September 2024, the ACF determined that SSA still was not in compliance with one of these performance measures (ensuring permanent and stable living arrangements), resulting in the State being assessed approximately \$698,296 in penalties.

Recommendation 9

We recommend that SSA take appropriate action to ensure that the State meets the federal CFSR standards.

Child Protective Services

Background

SSA's Child Protective Services unit provides services to assist children believed to be neglected or abused by parents or other adults with parental responsibilities. Allegations of child abuse or neglect are reported to the LDSSs, which are responsible for conducting investigations. The LDSSs are required to record allegations received and the steps taken to investigate each allegation in CJAMS. SSA is responsible for ensuring these investigations are performed in accordance with State law, which requires investigations to be initiated within 24 hours after receiving an allegation of abuse and 5 days after receiving an allegation of neglect, and completed no later than 60 days after the allegation is received. According to SSA records, during fiscal year 2024 the LDSSs collectively received approximately 17,000 allegations of abuse and neglect that were determined to require further investigation.

Finding 10

SSA did not sufficiently address instances when LDSSs did not conduct child abuse and neglect investigations timely.

Analysis

SSA did not sufficiently address instances when LDSSs did not conduct child abuse and neglect investigations timely. According to SSA records, 22 LDSSs did not initiate timely investigations in at least 1 month between January 2023 and June 2024. Ten LDSSs were noncompliant in this area for 7 or more consecutive months, including 5 LDSSs that were noncompliant during the entire period. In addition, 2 LDSSs did not timely complete investigations during periods ranging from 8 to 18 months in this same period.

SSA required LDSSs to submit corrective action plans when investigations were not initiated and completed timely. However, our review of the plans for 2 of the LDSSs that were noncompliant during all 18 months of the aforementioned period disclosed that they were not sufficiently comprehensive and SSA did not take action to address the plans. Specifically, the LDSSs cited inadequate staffing levels as the primary reason for the untimely investigations but did not identify the number of additional staff needed to achieve compliance. SSA could not document any specific actions taken to address the staffing issues and did not refer the 10 LDSSs with untimely investigations in 7 or more consecutive months to the DHS Secretary as required by its policy. We were advised by SSA management that this policy was not being enforced since early 2023.

A similar condition was commented upon in our two preceding audit reports dating back to November 2017. In response to our prior audit report, DHS indicated on behalf of SSA, that it would implement procedures to ensure the LDSSs conducted and completed investigations of allegations of child abuse and neglect within the statutory timeframes by December 2021. As noted above, while SSA had established procedures to monitor LDSS compliance, it did not take effective corrective action when the LDSSs did not comply with the statutory timeframes.

Recommendation 10

We recommend that SSA establish effective procedures to ensure that LDSSs conduct and complete investigations of allegations of child abuse and neglect in a timely manner, as required by State law, regulation, (repeat) and its policy.

Finding 11

SSA did not report child abuse and neglect investigations that were not completed within 60 days to the General Assembly as required by State law. In addition, SSA could not support its explanations for untimely investigations, certain of which appeared questionable.

Analysis

SSA did not report child abuse and neglect investigations that were not completed within 60 days to the General Assembly. State law requires SSA to submit quarterly reports to the General Assembly listing investigations that are not initiated and completed within the statutorily required timeframes, along with an explanation for each delay. While SSA did report investigations that were initiated late, it did not report investigations that were not completed timely. According to SSA records, during fiscal year 2024, there were 2,719 investigations that were not completed within the statutory timeframe, of which 1,762 (or 65 percent) related to one LDSS.

In addition, our review of SSA records disclosed that the reasons for the delays could not always be supported. Specifically, our test of 10 investigations¹² that were completed between 1 to 12 months late disclosed that for 5 investigations SSA could not provide documentation to support the cause of the delay. For example, one LDSS indicated that an investigation was completed nearly 7 months late due to a natural disaster that occurred between February 2024 and September 2024. SSA could not identify any natural disasters that occurred in that LDSS' jurisdiction during this time period.

Recommendation 11

We recommend that SSA

- a. establish procedures to ensure reports to the General Assembly are accurate and supported, and**
- b. provide an updated report to the General Assembly for fiscal year 2024, as noted above.**

Federal Funds**Background**

SSA is eligible to receive federal reimbursement under Title IV-E of the federal Social Security Act for a portion of the cost of care, generally 50 percent, incurred

¹² We selected five investigations from the most used cause of delay (emergency situation) and five investigations in which the cause of delay was "reason not provided by law".

on behalf of eligible children. State regulations provide that SSA is to determine eligibility for Title IV-E funding within 60 days of the date a child is removed from their home and conduct eligibility redeterminations every 12 months thereafter.

The Federal Family First Prevention Services Act (FFPSA) effective October 1, 2019, modified Title IV-E funding to allow SSA to be eligible for a 50 percent reimbursement for evidence-based practice (EBP) prevention costs and altered eligibility criteria for certain non-family-based placements, including qualified residential treatment placements (QRTPs). According to State accounting records, SSA received Title IV-E reimbursements totaling \$111.3 million during fiscal year 2024.

Finding 12

SSA did not have an effective process for ensuring the propriety and timeliness of Title IV-E eligibility determinations and redeterminations, resulting in lost federal funds potentially totaling \$22.5 million.

Analysis

SSA did not have an effective process to ensure that initial Title IV-E eligibility determinations were performed properly and timely for all children to maximize federal funding.

- According to SSA records, as of June 2024, eligibility determinations had not been recorded in CJAMS for 2,100 children who primarily entered the State's care between May 2020 and May 2024. As a result, SSA did not obtain federal reimbursement for the cost of these children's services, which potentially totaled \$22.5 million during the aforementioned four-year period. SSA advised that it was unable to complete determinations for approximately 1,800 of these children due to CJAMS system issues but could not readily explain the lack of determinations for the other 300 children. As of June 2025, SSA had not taken alternative action to enable the recovery of federal funds (such as manually performing the determinations) and could not provide an estimate for when the CJAMS issues would be resolved.
- SSA did not always properly verify Title IV-E determinations. Our test of the initial or most recent redetermination for 45 children,¹³ including 24 children SSA determined to be ineligible, disclosed that 6 children were improperly determined to be ineligible for some or all Title IV-E funding because

¹³ We selected our test items based on a combination of factors including materiality, eligibility status, placement types, and jurisdiction.

information was incorrectly entered or missing. Although a supervisor reviewed the 6 determinations, these errors were not detected and, consequently, SSA did not obtain reimbursement for the federal share of these children's services, which totaled \$475,200 for the period between May 2020 and May 2024. For example, for 3 children, SSA did not obtain available signed court orders supporting the out-of-home placement. SSA could not readily explain why the supervisor did not identify the errors during their review.

- SSA did not ensure determinations were completed within the timeframes prescribed in State regulations. Our aforementioned test of determinations and redeterminations for 45 children disclosed that 22 initial determinations were completed from 115 days to 3.5 years after the child entered care. In addition, 4 annual redeterminations were completed 183 days to 2.5 years late and 9 annual redeterminations were not completed as of July 2024, up to 4 years late.

A similar condition regarding improper Title IV-E determinations was commented upon in our two preceding audit reports dating back to November 2017 and a similar condition regarding untimely Title IV-E determinations was commented upon in our prior audit report. DHS' response to our prior report, on behalf of SSA, indicated that it would conduct supervisory reviews of all determinations to ensure the propriety and timeliness of the determinations. As noted above, these reviews were not always effective to ensure the determinations were proper and did not address whether the determinations were performed within the timeframes established in State regulations.

Recommendation 12

We recommend that SSA

- a. ensure that Title IV-E eligibility determinations are completed properly and timely for all children and pursue federal reimbursement for eligible expenditures (including those noted above) (repeat); and**
- b. conduct reviews to ensure that Title IV-E eligibility determinations are proper, as required by SSA policy (repeat).**

Finding 13

SSA did not request federal reimbursement for all eligible qualified residential treatment placements (QRTP) and evidence-based practices (EBP) expenditures, resulting in the failure to obtain federal reimbursement for at least \$2.6 million.

Analysis

SSA did not request federal reimbursement for all eligible QRTP and EBP expenditures. According to SSA records, fiscal years 2023 and 2024 payments to QRTP¹⁴ and EBP providers totaled \$51.1 million and \$3.6 million, respectively. Specifically, we tested approximately \$6.3 million paid to EBP¹⁵ and QRTP¹⁶ providers between July 2022 and June 2024, of which SSA could have received federal reimbursement of \$3.15 million. Our test disclosed that, as of June 2025, SSA had not requested federal reimbursement for \$3 million because it had not received the necessary documentation from the LDSSs. SSA advised that \$2.6 million of this amount was no longer recoverable due to the age of the expenditures and because certain documentation requirements are time-sensitive to when the child entered the placement, which has since passed.

Recommendation 13

We recommend that SSA establish procedures to ensure that federal reimbursement is obtained for all eligible QRTP and EBP expenditures.

Interagency Agreements**Finding 14**

SSA did not ensure that certain payments made to a State university for three interagency agreements were adequately supported, were reasonable in relation to the tasks performed, and were made in accordance with the terms of the agreements.

Analysis

SSA did not ensure that certain payments made to a State university were adequately supported, were reasonable in relation to the tasks performed, and were made in accordance with the terms of the agreements. Between July 2018

¹⁴ At the time of our fieldwork May and June 2024 QRTP data was not available.

¹⁵ We selected all payments made to EBP providers for testing.

¹⁶ We arbitrarily selected 5 non-consecutive months for testing.

and November 2023, SSA entered into three interagency agreements¹⁷ with a combined value of \$34.1 million with a State university to provide certain services related to child welfare. According to State records, payments under these agreements as of April 2024 totaled \$27.6 million which were primarily based on the actual time spent and the salary costs of the applicable university personnel. Each agreement identified the university employees who would perform the work and their salaries (including fringe benefits), and the percentage that each employee's time would apply to work under the agreement.

Our test of 20 invoices totaling \$2.4 million submitted during fiscal year 2024,¹⁸ of which \$1.8 million related to direct labor charges, disclosed that the records SSA obtained to support these invoices did not detail the actual time spent by each employee on SSA projects to support the propriety of the charges and the reasonableness in relation to the tasks performed. Although SSA advised that the university could not provide this documentation, we were able to obtain the detailed payroll records from the university. However, since SSA did not establish expected estimates to complete each task, we could not determine the reasonableness of the time charged for the tasks performed.

Our test also disclosed that SSA paid \$144,800 in fiscal year 2024 for 11 individuals who were not included in the agreements. While SSA management advised us that it received verbal notice from the university of all personnel changes, SSA could not document that it had approved the use of these 11 individuals and the agreements did not address a process for approving personnel changes or additions.

A similar condition regarding the lack of supporting documentation was commented upon in our five preceding audit reports dating back to October 2008. In addition, a similar condition regarding paying for individuals who were not in the agreements was commented upon in our two receding audit reports dating back to November 2017. DHS' response to our prior report on behalf of SSA indicated that it would establish procedures to ensure the propriety of the State university's invoices by June 2022. As noted above, the documentation SSA obtained was not sufficient to verify the propriety of the amounts billed.

¹⁷ During this period, SSA renewed these interagency agreements one to two times. Interagency agreements are used to obtain services from State universities. Interagency agreements are exempt from State procurement laws, including the requirements for competitive procurement, publication of solicitations and awards, and Board of Public Works' approval.

¹⁸ We selected all fiscal year 2024 invoices SSA had paid, as of September 12, 2024.

Recommendation 14**We recommend that SSA**

- a. implement a process to ensure the propriety of State university invoices, for example, obtain and review payroll records or restructure the agreements to base payment on specific deliverables to be monitored by SSA, or a combination thereof (repeat); and**
- b. ensure all staffing changes are documented and approved.**

Audit Scope, Objectives, and Methodology

We have conducted a fiscal compliance audit of the Department of Human Services (DHS) – Social Services Administration (SSA) for the period beginning May 1, 2020 and ending May 31, 2024. 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 SSA'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 federal fund reimbursement; foster care, child protective services, adoption and guardianship assistance; the Child, Juvenile, and Adult Management System (CJAMS); procurements and disbursements; and interagency agreements. We also determined the status of the findings contained in our preceding audit report.

Our audit did not include various support services provided to SSA by DHS. These support services (such as payroll, purchasing, maintenance of accounting records, and related fiscal functions) are included within the scope of our audit of 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 SSA'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 SSA.

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 May 1, 2020 to May 31, 2024, 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 SSA'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 this source were sufficiently reliable for the purposes the data were used during this audit.

We also extracted data from CJAMS for the purpose of testing certain areas, such as foster care requirements, federal fund recoveries, child protective services investigations, and adoption and guardianship assistance. We performed various tests of the relevant data in order to determine data reliability. Use of the data was restricted to the situations in which the data were deemed to be reliable for the purposes they were used. 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.

SSA'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 SSA, 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 SSA'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, and regulations. Other less significant findings were communicated to SSA that did not warrant inclusion in this report.

In our preceding two audit reports, we determined that SSA's accountability and compliance level was unsatisfactory, in accordance with the rating system we established in conformity with State law. Our current audit disclosed that SSA's accountability and compliance level remained unsatisfactory. The primary factors contributing to the unsatisfactory rating were the significance of the audit findings, the number of repeat findings, and SSA's lack of sufficient monitoring of the 24 local departments of social services for compliance with numerous policies and regulations. Our rating conclusion has been made solely pursuant to the aforementioned law and rating guidelines approved by the Joint Audit and Evaluation Committee. The rating process is not a practice prescribed by professional auditing standards.

The response from DHS, on behalf of SSA, 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 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 July 2025

Name of Audit		Most Recent Report Date	Total Findings	Number of Repeat Findings
1	Local Department Operations	4/11/2025	4	3
2	Child Support Administration	4/3/2025	1	1
3	Office of the Secretary and Related Units	2/28/2025	9	1
4	Family Investment Administration	10/21/2022	10	5
Total			24	10



DEPARTMENT OF HUMAN SERVICES

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

September 9, 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:

In response to the Office of Legislative Audits' correspondence dated August 22, 2025, please find enclosed our response to the draft report for the Legislative Audit Report of the Department of Human Services – Social Services Administration for the period beginning May 1, 2020 and ending May 31, 2024.

The safety and well-being of Maryland's children are our highest priority. As such, we take the findings of this audit with the utmost seriousness. In the 1.5 years of the 4-year audit period during which I served as Secretary, our leadership team has moved with urgency and challenged the status quo not only with the Social Services Administration, but across the entire department. We are enhancing our internal quality control, raising standards, and improving our information system of record to better monitor performance. We will continue to move urgently in partnership with all 24 of our local departments of social services, state and federal partners to implement proactive solutions to resolve decades old issues identified in the audit.

We are fully committed to ensuring the highest standards of care and oversight in the administration of child welfare programs. Marylanders deserve nothing less than world class service.

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

In service,

A handwritten signature in black ink, appearing to read "Rafael Lopez".

Rafael López
Secretary

Enclosures:

cc:

Carnitra White, Principal Deputy Secretary
Webster Ye, Chief of Staff
Gloria Brown Burnett, Deputy Secretary for Operations
Daniel Wait, Deputy Secretary for Talent & Customer Service
Heather Zenone, Assistant Secretary for Policy & Data
Larry Handerhan, Assistant Secretary for Programs
Dr. Alger Studstill, Jr. Executive Director Social Services Administration
Tennille R. Thomas, Principal Deputy Executive Director, Social Services
Administration
Marva Sutherland, Inspector General
Shelly-Ann Dyer, Assistant Inspector General for Audits

Department of Human Services Social Services Administration

Agency Response Form

Local Department of Social Services Oversight

Finding 1

The Social Services Administration (SSA) had not implemented comprehensive quality assurance processes and effective oversight of the State's Local Departments of Social Services' (LDSSs) administration of child welfare programs.

We recommend that SSA establish comprehensive quality assurance processes to ensure its child welfare programs are effectively and properly administered by the LDSSs. Specifically, we recommend that SSA modify its existing processes to ensure that they provide comprehensive written procedures for monitoring program services and functions to ensure compliance with applicable laws, regulations, and policies; appropriate and timely recordkeeping; and the maintenance of supporting documentation relating to services and functions performed (repeat).

Agency Response	
Analysis	
Please provide additional comments as deemed necessary.	The safety and well-being of children are our highest priority. We are fully committed to ensuring the highest standards of care and oversight in the administration of child welfare programs. We provide comprehensive oversight and monitoring of our Local Departments of Social Services' (LDSSs) administration of child welfare programs. This oversight is aligned with the federal metrics and state measures, and has been effective in producing improvements across several child welfare practice areas. While we can't speak to what was done prior to when we took office, since 2023, we maintain rigorous oversight of all 24 LDSSs through our Audit, Compliance, and Quality Improvement (ACQI) unit, which conducts weekly monitoring, monthly notification, good cause exemptions, and quarterly Quality Assurance (QA) reviews. To ensure ACQI oversight results in continuous improvement, we hold local leadership accountable through monthly meetings to thoroughly review audit findings and make needed changes to improve compliance in our administration of child welfare programs.

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	This oversight significantly improved our compliance with state and federal regulations in benchmark areas, including: ● Child Protective Services (CPS) Face-to-Face timeliness ● Substance Exposed Newborn (SEN) Face-to-Face timeliness ● Substance Exposed Newborn - Maryland Family Risk Assessment (SEN MIFRA) timeliness ● SEN Safe-C timeliness ● Caseworker Visitation CPS Face-to-Face timeliness improved from 66% in February 2023 to 83% in July 2025 on average statewide, with a 95% compliance benchmark. SEN Safe-C timeliness improved from 68% in February 2023 to 89% in July 2025 on average statewide, with a 90% compliance benchmark. <i>Source: SSA Monthly Data Trends Report</i> We are committed to continuously improving our quality assurance. We are conducting a comprehensive review of our QA and notification systems, which will be completed by June 2026. We anticipate completing initial updates in January 2026 to reflect updated kinship regulations.		
Recommendation 1	Agree	Estimated Completion Date:	June 2026
Please provide details of corrective action or explain disagreement.	The safety and well-being of children are our highest priority. We agree with the recommendation and are committed to continuously improving our existing Quality Assurance (QA). We currently use a QA Desk Guide, which outlines written procedures for completing local QA, and we implemented Standard Operating Procedures (SOPs) for overall monitoring. We hold ourselves accountable to continuous improvement and are modifying both documents to create more comprehensive written procedures and a formal escalation process within our SOP, to further improve LDSS compliance. We expect to complete these revisions by January 2026. We are committed to continuously improving our compliance, efficiency, and effectiveness in fully addressing OLA's recommendations. We are also establishing a statewide QA process to support continuous quality improvement in service delivery across key outcome areas: prevention, safety, permanency, and well-being. We expect to complete this statewide QA by January 2026.		

**Department of Human Services
Social Services Administration**

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Criminal Background Checks

Finding 2

SSA did not have comprehensive procedures to ensure individuals with disqualifying criminal backgrounds did not interact with children under its care. As a result, SSA did not identify multiple individuals with disqualifying convictions that were in positions to interact with children.

We recommend that SSA

- a. work in conjunction with the LDSS and OLM to establish comprehensive procedures to ensure that all individuals who are in positions to interact with children under SSA's care comply with criminal background check requirements; and**
- b. take appropriate action when disqualifying criminal activity is identified, including those noted above, and maintain documentation of all actions taken.**

Agency Response	
Analysis	
Please provide additional comments as deemed necessary.	The safety and well-being of children are our highest priority. We are fully committed to ensuring background checks are completed for individuals interacting with children under our care. <u>Guardianship Homes</u> We conduct criminal background checks (as detailed in COMAR 07.02.11.27(A) and (D)) before a court's decision to grant guardianship. This pre-guardianship assessment ensures that individuals do not have disqualifying criminal backgrounds. Post-guardianship, a child is no longer under our direct legal custody or ongoing oversight for day-to-day interactions. While our mission is to ensure the safety and well-being of children, we do not have legal authority to conduct ongoing monitoring or background checks on individuals interacting with a child after a court-ordered guardianship is terminated. The Code of Maryland Regulations (COMAR) 07.02.11.27 (E) states: "An order granting custody and guardianship to an individual under this regulation terminates the local department's legal obligations and responsibilities to the child." Furthermore, COMAR 07.02.11.05 confirms this termination of involvement, stating that a placement

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episode ends when a child is no longer in out-of-home care and the LDSS no longer has legal custody or guardianship, as defined in Regulation .03B. Imposing such a requirement post-guardianship would exceed the Department's defined legal authority and ongoing responsibilities as set forth in COMAR.

One-on-One

To ensure all individuals who interact with children under our care comply with criminal background check requirements, we issued a Request For Proposal (RFP) covering 22 of 24 jurisdictions (Baltimore City and Anne Arundel County have a combined RFP with the same scope of work). The RFP scope of work requires all employees providing one-on-one support to undergo criminal background checks, consistent with the requirements for private providers. As of August 2025, the evaluation committee is reviewing technical proposals.

The audit report states that one vendor employed an individual who was precluded from working with children. The vendor confirmed the employee no longer works for them and we confirmed there is no invoice in CJAMS referencing this employee.

Out-of-Home (Foster) Care

We respectfully disagree with this analysis. Our Office of Licensing and Monitoring (OLM) is responsible for reviewing criminal background clearances for private Child Care Placement Agencies and Residential Child Care Programs.

With respect to the specified group home provider, in late 2023, OLM learned that the group home had removed portions of its employees' criminal background clearances to avoid OLM review. OLM informed SSA, and we placed the provider on the SSA Hotlist with a placement moratorium effective November 20, 2023, halting new placements during OLM's investigation. On December 1, 2023, OLM moved to revoke this agency's license to operate as a DHS-licensed residential child care program, which was upheld. We no longer license this provider. We removed all youth and terminated services with the provider by February 2024.

Additionally, the team member responsible for reviewing the criminal background clearance and their supervisor were disciplined. OLM provided comprehensive training to all licensing specialists and implemented a CPA Background Check Verification tool to ensure

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	accuracy of reviews based on COMAR regulations for group homes and child placement agencies. This tool helps reviewers interpret the results of criminal record checks consistently and standardizes how licensing specialists review, verify, and document background checks. It explains key legal terms that may appear in background checks, requires verification of the completeness of the background check itself, and ensures compliance with state and federal regulations by identifying disqualifying offenses or missing documentation. In 2024, OLM conducted a 100% review of all provider employees, privately-certified resource parents, and adult household members to ensure compliance with applicable regulations as they existed in 2024, specifically, COMAR 14.31.06.05A(4)(c), (d), and (e), COMAR 07.05.01.09B(3), and COMAR 07.05.02.13A(3)(c) and (d). We learned from the Children’s Bureau that our regulations for privately-certified foster parents lacked a “crimes of violence” prohibition required by Title IV-E of the Social Security Act, and we are updating this regulation. Pending that regulatory change, OLM reviews criminal background clearances for our contractual compliance, including the “crimes of violence” prohibition. To carry out this responsibility, OLM has implemented the Felony Crimes of Violence Not Included in COMAR 07.05.02.13A(3)(c) Review Tool. While OLM does not have regulatory authority to cite or sanction providers for employing or certifying resource parents who have disqualifying offenses outside of those listed in COMAR, they notify us when they identify a disqualifying offense, and we require the private provider to take corrective action, which includes not placing any further youth in the home and moving any current youth placed in the home to a safer environment. <u>Family Out-of-Home Care</u> For family out-of-home care, when we enter an initial application in the electronic system of record, the system has a built-in control mechanism that will not allow the application to be approved unless all household members 18 years and older have completed background checks. To further protect children in out-of-home care, we are developing a system that will alert team members 30 and 15 calendar days prior to a household member’s 18th birthday, as well as on the birthday itself. The notifications will alert all assigned workers and their supervisors, and will generate a new alert every time a team member logs into the system
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Department of Human Services

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	until the background clearance is entered. We expect the new alert system will go into effect in October 2025.		
Recommendation 2a	Agree	Estimated Completion Date:	June 2026
Please provide details of corrective action or explain disagreement.	We will work with the OLM and Local Departments of Social Services to ensure one-on-one providers who are in positions to interact with children under the Department's care and custody comply with criminal background check requirements as required by Federal and State law. To ensure background checks are completed for private out-of-home care providers, our Office of Licensing and Monitoring (OLM) is responsible for reviewing criminal background clearances for private Child Care Placement Agencies and Residential Child Care Programs.		
Recommendation 2b	Agree	Estimated Completion Date:	December 2025
Please provide details of corrective action or explain disagreement.	We will work with the Local Departments of Social Services to take action when we identify disqualifying criminal activity, including the immediate suspension or revocation of approval or licensure, removing the youth from the affected setting, and initiating a corrective action plan. COMAR 07.05.02.09B requires privately certified resource parents to notify the provider agency within 48 hours of changes in the resource parent's household. OLM reviews all information for household members as listed by the provider agency, conducts home visits, and inquires about any changes in household status. While household members turning 18 may not have a prior criminal history, initiating background checks for them allows OLM or the provider agency to be notified if they are subsequently convicted of a crime.		

Auditor's Comment: SSA agrees with the recommendations but indicates that continuing to monitor children after they are placed in guardianship would exceed its defined legal authority and responsibilities. However, SSA is responsible for certifying guardianship homes and under that responsibility, we believe they should implement the recommendations to ensure the ongoing safety of children placed in these settings by the State.

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SSA also disagrees with the factual accuracy of our comments regarding out-of-home foster care. However, nothing in the response contradicts the facts presented in our analysis.

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Finding 3

SSA did not have a process to periodically reconcile the Maryland Sex Offender Registry (SOR) to its records of SSA providers and vendors to identify any sex offenders with potential access to children.

We recommend that SSA

- a. develop a process to obtain and periodically reconcile the Maryland Sex Offender Registry to its records of SSA providers and vendors, and**
- b. take appropriate action for any individuals identified, including those noted above.**

Agency Response			
Analysis			
Please provide additional comments as deemed necessary.	The safety and well-being of children are our highest priority. We will continue to use licensing and monitoring to ensure provider compliance for the safety of our children. We exercise direct oversight of vendor employees through established licensing and contractual requirements, and we monitor vendor records to ensure that sex offenders do not have access to children in our care. Provider agencies are responsible for completing all required criminal background checks and screening for disqualifying offenses, including those that would result in registration on the Maryland Sex Offender Registry (MSOR). Individuals with disqualifying backgrounds are not eligible for hire, and if identified after hire, providers are expected to take immediate corrective action, including termination and appropriate notifications.		
Recommendation 3a	Disagree	Estimated Completion Date:	N/A
Please provide details of corrective action or explain disagreement.	We detail above the steps we take to ensure children's safety, and we are committed to exploring additional measures to protect the children in our care. We are in the early planning phase to connect CJAMS to the appropriate registry system to further ensure the safety of our children. The estimated completion date is to be determined pending further assessment.		
Recommendation 3b	Agree	Estimated Completion Date:	November 2025

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Please provide details of corrective action or explain disagreement.	We will continue to ensure Local Departments of Social Services (LDSS) and private providers take appropriate action whenever disqualifying criminal activity is identified, as specified in COMAR. This includes suspending or revoking approval of licensure, removing youth from the affected setting, and initiating corrective action plans. Regarding the seven guardianship cases referenced in the audit report, the Department does not have the legal authority to conduct ongoing monitoring or background checks on individuals interacting with a child after a court-ordered guardianship is terminated. Nevertheless, as soon as these cases were identified, we took action. In one case, we contacted law enforcement who conducted a safety check and confirmed the children were safe. In another case, we contacted the Office of Parole and Probation and found that while an identified individual was on the registry, there were no restrictions prohibiting their presence around children. For the remaining cases, law enforcement and probation officers determined there was insufficient information to warrant a welfare check. Our monitoring efforts are working, as confirmed by Figure 4 in OLA's report, which shows no matches for Individuals Working for SSA Vendors (222,547) and Foster Care Parents (8,746) against the SOR. We will continuously improve and hold ourselves accountable to ensure the safety of the children we serve.
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Auditor's Comment: Although SSA purports to disagree with recommendation 3a, it appears to agree with the recommendation in principle. Specifically, the response indicates that SSA is working on a process to connect CJAMS with the SOR.

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Child, Juvenile, and Adult Management System (CJAMS)

Finding 4

SSA did not ensure that data on its Child, Juvenile, and Adult Management System (CJAMS) used to monitor the LDSSs was accurate and supported.

We recommend that SSA establish procedures to ensure CJAMS data is accurate and supported.

Agency Response			
Analysis			
Please provide additional comments as deemed necessary.			
Recommendation 4	Agree	Estimated Completion Date:	June 2026
Please provide details of corrective action or explain disagreement.	We are fully committed to ensuring that Child, Juvenile, and Adult Management System (CJAMS) data used to monitor Local Departments of Social Services (LDSSs) is accurate and supported. We are continuously improving monitoring and data quality within CJAMS. Our areas of focus include: 1. Clarifying Roles and Responsibilities: We are reinforcing and clarifying the distinct roles and responsibilities of SSA and the LDSSs in ensuring CJAMS data accuracy. SSA monitors overall data quality and performance trends, while the LDSSs are responsible for the accurate and timely input of individual case data and supporting documentation. 2. Enhancing Monitoring and Feedback Mechanisms: We are evaluating our existing monitoring procedures to provide more targeted feedback to LDSSs on data quality issues, particularly concerning critical data such as initial health exams and educational records, as identified in the audit. This may include: ● Developing more robust reporting mechanisms to identify and flag missing or inaccurate essential data points. ● Strengthening communication channels with LDSSs to ensure identified deficiencies are corrected in a timely manner. ● Focusing on the most important data elements that directly impact program outcomes.		

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	3. Providing Targeted Training and Technical Assistance: We are assessing the need for additional training and technical assistance to LDSS team members on proper data entry procedures and documentation requirements within CJAMS, with a particular emphasis on areas where inaccuracies were identified. 4. Partnering with the Maryland State Department of Education (MSDE) and Local School Systems: We will continue discussions with MSDE and local school systems to implement a data sharing agreement to include data feed and report cards for youth in out-of-home care. We are committed to continuous improvement in CJAMS data accuracy across all 24 LDSSs.
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Foster Care, Adoption, and Guardianship

Finding 5

SSA did not ensure the LDSSs provided foster care children the required medical and dental exams. We identified numerous foster children who did not receive exams within the timeframes required by State regulations.

We recommend that SSA ensure compliance with medical and dental requirements for each child (repeat).

Agency Response			
Analysis			
Please provide additional comments as deemed necessary.	The safety and well-being of children are our highest priority. We agree with the analysis of the finding and are committed to ensuring children in out-of-home care receive necessary medical and dental care. During SFY 2024, 93% of children entering out-of-home care had their initial health screenings completed within five business days of placement, and 89% had comprehensive health assessments completed within 60 calendar days of placement. We credit these outcomes to the work of our Audit, Compliance, and Quality Improvement (ACQI) unit. We continue to work to overcome challenges finding dental providers offering timely services, as well as ensuring older children accept dental evaluation and treatment. Parts of our state, in particular the Eastern Shore, lack pediatric dental providers. To overcome these challenges, we are working with Skygen, the dental Administrative Service Organization (ASO), dental providers, and LDSSs to improve dental care for children in out-of-home care. We are also partnering with the Maryland American Dental Association and the Maryland Dental Action Coalition to find strategies to improve access to oral health care.		
Recommendation 5	Agree	Estimated Completion Date:	TBD
Please provide details of corrective action or explain disagreement.	We are committed to continuous improvement to ensure children receive necessary care. We improved CJAMS to generate alerts for upcoming or follow-up medical and dental exams, aligning with State regulatory requirements. We will implement a twice-per-year review to identify overdue medical and dental exams, and notify and ensure LDSSs resolve those cases. We		

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	are fully committed to meeting the medical and dental needs for youth in care.
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Finding 6

SSA did not ensure the LDSSs placed foster care children in settings authorized in State law. We identified 280 children placed in hotels under the supervision of providers that were not licensed and at a significantly higher cost to the State.

We recommend that SSA ensure all foster children are timely placed in accordance with State law, including those noted above.

Agency Response			
Analysis			
Please provide additional comments as deemed necessary.	The safety and well-being of children are our highest priority. We partially agree with the analysis provided for this finding. Any child placed in a hotel is one child too many. We consistently partner with Local Departments of Social Services (LDSSs) to identify and secure appropriate placements for youth based on clinical recommendations, diagnoses, and behavioral needs. When a child is removed from their home, they should be placed in the least restrictive, most family-like setting, including with relatives, in family out-of-home settings, or, when necessary, in group care settings. We require placement efforts be documented for all youth in out-of-home care using the standardized Placement Efforts form. This ensures that we consistently record efforts to identify the most appropriate and available setting for children. We disagree with the assertion that the highest approved rate for treatment foster care in Fiscal Year 2024 was \$281. The majority of youth who experienced a hotel stay during the review period did not require treatment foster care services, but instead required higher levels of care, including therapeutic group homes or residential treatment centers (RTCs). In FY24, the approved per diem rates for group care settings ranged from \$271.69 to \$1,541.43, while the per diem cost for RTCs ranged from \$392 to \$931. We continue to prioritize identifying appropriate placements that meet the clinical and behavioral needs of youth, and acknowledge the ongoing challenges related to placement capacity and availability across the continuum of care.		
Recommendation 6	Agree	Estimated Completion Date:	August 2026

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Please provide details of corrective action or explain disagreement.	Any child placed in a hotel is one child too many. We acknowledge the challenges related to youth placed in hotel settings and affirm that hotel stays are used only as a last resort. To improve oversight and reduce hotel placements, we have taken the following steps: 1. Policy Implementation: We issued SSA-CW Policy #25-01, which gives formal guidance on reporting and documentation requirements for any youth in care placed in a hotel setting. Per the policy, all hotel stays must be reported to us, and a Rapid Response Meeting must be convened within 48 hours. The SSA Placement and LDSS team members must then conduct ongoing weekly meetings for each case. We will make revisions to SSA-CW Policy #25-01 as additional improvements are completed in CJAMs. These coordinated efforts have resulted in a 77% reduction in the number of hotel stays during FY2025. 2. New Residential Resources: To help reduce the use of hotel stays, we contracted with four residential child care providers to increase placement capacity and deliver services targeted to youth at risk of hotel placement. We issued a Statement of Need in June 2025 to engage additional providers who have the capacity to obtain licensure and offer expanded placement resources. We expect to complete this effort in the summer of 2026 as part of our broader strategy to strengthen the continuum of care and reduce reliance on temporary and non-traditional placements. 3. System Enhancements: We completed updates to CJAMS to clearly identify and track hotel stays. 4. One-on-One Services Expansion: We released a Request for Proposal (RFP) for statewide one-on-one support services. The scope of work outlines requirements for one-on-one staff, including minimum age, background clearances, training, crisis intervention skills, and supervision standards. We will oversee these contracted providers to ensure quality and compliance, with a target date of December 2025.
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Auditor's Comment: Although SSA indicated disagreement with the treatment foster care rate noted in our analysis, the response does not contradict the facts presented in the finding. As noted in our analysis, during our audit fieldwork SSA management advised that many of the children placed in a hotel had needs that required placement with a treatment foster care provider, rather than a residential treatment center (RTC) as indicated in SSA's response. Regardless, the highest approved rate for RTC (\$931) is still significantly less than the daily cost to provide one-on-one services to children in hotel settings (\$1,259). Accordingly, we believe the information in our analysis is accurate.

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Finding 7

SSA did not ensure the LDSSs established and maintained required trust accounts for foster children.

We recommend that SSA

- a. establish procedures to ensure LDSSs establish trust accounts as required, and**
- b. periodically review trust account activity to ensure the account balances are proper.**

Agency Response			
Analysis			
Please provide additional comments as deemed necessary.	Children deserve financial security and we are committed to ensuring the children we serve receive the support they deserve. We are working on a procurement for a consultant to assist with organizational assessments and policy revisions, including Special Needs Trust accounts. This finding was included in the Local Department Operations Audit, and through that corrective action, we developed a task force composed of representatives from SSA and Local Departments of Social Services led by the SSA Executive Director to fully resolve this issue and ensure we are fully meeting the needs of the children we serve.		
Recommendation 7a	Agree	Estimated Completion Date:	February 2026
Please provide details of corrective action or explain disagreement.	We are committed to ensuring the children we serve receive the full support they deserve. We agree with the recommendation to establish procedures to ensure LDSSs establish trust accounts as required and will review and update Policy #19-06, "Protecting the Resources of Children in Custody." We will explore whether an improvement can be made in CJAMS to notify caseworkers to apply for a special needs trust account. We will then establish bi-annual review procedures for trust accounts and account activity.		
Recommendation 7b	Agree	Estimated Completion Date:	June 2026
Please provide details of corrective action or explain disagreement.	We agree with the recommendation to periodically review trust account activity to ensure account balances are proper by creating a report to pull youth account activity. We will establish bi-annual review procedures for trust accounts and account activity and ensure we are fully addressing the needs of the youth we serve.		

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Finding 8

SSA did not have comprehensive procedures to identify and recover overpayments to public foster care providers, guardians, and adoption subsidy recipients.

We recommend that SSA establish comprehensive procedures including steps to

- a. investigate potential overpayments identified on the CJAMS reports to determine if funds need to be recovered; and**
- b. ensure collection of provider overpayments is adequately pursued, including those noted above (repeat).**

Agency Response			
Analysis			
Please provide additional comments as deemed necessary.			
Recommendation 8a	Agree	Estimated Completion Date:	December 2025
Please provide details of corrective action or explain disagreement.	We are committed to identify and recover overpayments to public out-of-home care providers, guardians, and adoption subsidy recipients. We will implement internal standards of practice to improve overpayment monitoring. Our Out-of-Home Team will work with our Data Office and use existing CJAMS reports to develop and maintain a centralized tracking spreadsheet to identify payment irregularities. We will review this spreadsheet monthly to flag issues such as continued payments after disrupted adoptions or irregular guardianship payments. We will share identified cases with the appropriate LDSS to initiate overpayment recovery or suspend payments, as needed. CJAMS already initiates automatic recoupment for out-of-home care overpayments. However, we will revise our SOP, “SSA CW #22-07 Adoption Assistance,” to provide updated guidance to LDSSs on adoption subsidy suspension procedures.		
Recommendation 8b	Agree	Estimated Completion Date:	December 2025

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Please provide details of corrective action or explain disagreement.	We agree with the recommendation to implement internal procedures that support timely notification to the LDSSs for overpayment identification and recovery. As part of the corrective action, we will establish internal standards of practice that use existing CJAMS reports to monitor potential overpayments across out-of-home care, guardianship, and adoption subsidy payments. We will review the specific cases noted in the audit finding to determine if recoupment of overpayments is appropriate and take action accordingly.
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Finding 9

SSA did not meet federal foster care service performance requirements resulting in penalties totaling \$698,296 being assessed on the State.

We recommend that SSA take appropriate action to ensure that the State meets the federal CFSR standards.

Agency Response			
Analysis			
Please provide additional comments as deemed necessary.	We agree that we did not meet the required level of improvement for Children Family Service Review (CFSR) 3 Performance Improvement Plan (PIP) measures for Permanency Outcome 1. However, we disagree with the statement that we did not meet the federal foster care service performance requirements.		
Recommendation 9	Disagree	Estimated Completion Date:	N/A
Please provide details of corrective action or explain disagreement.	We are fully committed to meeting all federal Child and Family Services Review (CFSR) standards. CFSR results are based on sample sizes that may not reflect the entirety of statewide practice. We continue to prioritize meeting these standards and have implemented several strategies to improve outcomes. To support compliance with the federal standards under Permanency Outcome 1, we collaborate closely with the Children’s Bureau and the Foster Care Court Improvement Program (FCCIP) to identify and resolve challenges impacting permanency. We conduct monthly case reviews across local departments to identify trends and strengthen practices related to permanency. We facilitate regular collaborative forums, including Continuous Quality Improvement (CQI) Network meetings and Permanency Enhancement Sessions, where we analyze permanency data and CFSR trends and challenges. These forums bring together SSA leadership and staff, LDSSs, court partners (including FCCIP staff, permanency planning liaisons, and attorneys), and academic and technical assistance partners such as the University of Maryland School of Social Work and Chapin Hall. In preparation for the State’s participation in Federal CFSR Round 4 in October 2025, we are reviewing current performance, improving case practice, and engaging partners in the planning process for the upcoming Program Improvement Plan (PIP).		

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Auditor's Comment: While SSA disagrees with recommendation 9, the response does not refute our analysis. As explained in our analysis, SSA incurred penalties totaling \$698,296 due to the failure to comply with the federal performance measure related to ensuring permanent and stable living arrangements for children in foster care.

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Child Protective Services

Finding 10

SSA did not sufficiently address instances when LDSSs did not conduct child abuse and neglect investigations timely.

We recommend that SSA establish effective procedures to ensure that LDSSs conduct and complete investigations of allegations of child abuse and neglect in a timely manner, as required by State law, regulation, (repeat) and its policy.

Analysis			
Please provide additional comments as deemed necessary.			
Recommendation 10	Agree	Estimated Completion Date:	January 2026
Please provide details of corrective action or explain disagreement.	The safety and well-being of the children we serve is our highest priority. We are committed to holding ourselves accountable and continuously improving how we serve Maryland's children. We agree with the recommendation and are reviewing and improving our monitoring practice for Child Protective Services (CPS) investigation timeliness. Our current SOP dictates we monitor the CPS Milestone report. Since the HB 1248 report went into production in October 2022, we are drafting a new SOP for monitoring CPS investigation timeliness using this new report, which includes opened and closed cases, allowing for more accurate tracking to improve compliance. We will continue to hold ourselves accountable to keep children safe.		

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Finding 11

SSA did not report child abuse and neglect investigations that were not completed within 60 days to the General Assembly as required by State law. In addition, SSA could not support its explanations for untimely investigations, certain of which appeared questionable.

We recommend that SSA

- a. establish procedures to ensure reports to the General Assembly are accurate and supported, and**
- b. provide an updated report to the General Assembly for fiscal year 2024, as noted above.**

Agency Response			
Analysis			
Please provide additional comments as deemed necessary.	The safety and well-being of the children we serve is our highest priority. We respectfully disagree with the analysis for finding 11. We do not currently submit a report to the General Assembly concerning “untimely case closures.” While the Department tracks “untimely initial contacts” with the alleged victim child and “untimely case closures,” the quarterly and annual timeliness reports submitted to the legislature are only statutorily required to contain information on “untimely initial contacts.”		
Recommendation 11a	Disagree	Estimated Completion Date:	
Please provide details of corrective action or explain disagreement.	We respectfully disagree with this recommendation. We have established a reporting structure based on the legislative history of HB1248/SB820, which amended Maryland Family Law §5-706. The final version of the bill clarified the tracking requirement for delays to only include instances where the Local Department of Social Services (LDSS) failed to “see the child in accordance with the time frames established under subsection (c).” The Fiscal and Policy Note accompanying HB1248/SB820 concurred with the Department’s interpretation of the legislation’s reporting requirements. The General Assembly’s intent was to receive information on delays in seeing the child, not on delays in closing cases. The reports we have submitted since the bill's passage have consistently followed the law, and the Department has received no feedback or critique from the Department of Legislative Services to suggest our reports were deficient.		

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Recommendation 11b	Disagree	Estimated Completion Date:	N/A
Please provide details of corrective action or explain disagreement.	We respectfully disagree with this recommendation. The quarterly and annual reports that we submitted since the passage of HB1248/SB820 are accurate and supported by the law, which requires we track and report delays in seeing the child within the statutory timeframe. The legislation has never required that our reports include information on cases that did not close within the 60-day timeframe. Our previously submitted reports are accurate and align with the legislative intent of HB1248/SB820. Expanding the scope of the quarterly and annual reports to include data on all investigations and reports discussed by Maryland Family Law §5-706 would require additional financial resources to change the child welfare case management system. We are fully committed to continuing to provide accurately and timely reports as defined by the law.		

Auditor's Comment: SSA disagrees with recommendations 11a and 11b. As indicated in the response, SSA believes that State law does not require it to report investigations that are not completed within 60 days to the General Assembly. In this regard, State law clearly requires SSA to “issue a quarterly report identifying investigations or reports that are not completed within the time frames required by this section.” Accordingly, we believe that our finding and related recommendations are accurate and appropriate.

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Federal Funds

Finding 12

SSA did not have an effective process for ensuring the propriety and timeliness of Title IV-E eligibility determinations and redeterminations, resulting in lost federal funds potentially totaling \$22.5 million.

We recommend that SSA

- a. ensure that Title IV-E eligibility determinations are completed properly and timely for all children and pursue federal reimbursement for eligible expenditures (including those noted above) (repeat); and**
- b. conduct reviews to ensure that Title IV-E eligibility determinations are proper, as required by SSA policy (repeat).**

Agency Response	
Analysis	
Please provide additional comments as deemed necessary.	We do not fully agree with the analysis provided in the audit finding. Federal regulations do not require eligibility determinations to be made within 60 days. Rather, they require that courts find “reasonable efforts to prevent removal” within 60 days of a child's entry into care. To address the backlog of eligibility determinations, we conducted a focused review in March 2024 of approximately 1,600 out-of-home care cases that were pending supervisor approval. As a result of this review, we generated \$5 million in federal reimbursement. Regarding the timeliness of the 45 initial determinations and 45 redeterminations, we point to our Title IV-E Policy and Procedures Manual, which states that if the IV-E Specialist has reason to question a child’s eligibility or reimbursability, the case should remain in “pending” or “incomplete” status while additional information is gathered. If documentation is not secured by the 60th day, the case should be marked ineligible and flagged for follow-up. IV-E staff conduct annual reviews of ineligible cases to reassess and confirm their status. Additionally, we do not use a manual process for determining eligibility. In accordance with federal requirements, all Title IV-E eligibility

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	determinations are conducted within Maryland's statewide automated child welfare information system (CJAMS). We remain committed to improving the timeliness and accuracy of eligibility determinations and will continue to align our system capabilities with federal guidance.		
Recommendation 12a	Agree	Estimated Completion Date:	April 2026
Please provide details of corrective action or explain disagreement.	We are fully committed to ensure timely eligibility determinations and maximum federal reimbursement. To address the audit finding, we will implement the following corrective actions: 1. Develop SSA Internal Standard Operating Procedures (SOP): We are drafting and implementing an internal SOP specific to Title IV-E eligibility. This SOP will define case review timelines and formalize the requirement that initial eligibility determinations be completed within 60 days of case assignment, and redeterminations be conducted annually from the child's date of removal. The 60-day timeline reflects the administrative workflow within CJAMS, including supervisor review and case assignment. 2. CJAMS Dashboard Enhancements: We will improve existing CJAMS dashboards to track Title IV-E eligibility status, reasons for ineligibility, and the timeliness of initial determinations and redeterminations. This will improve our monitoring and accountability. 3. Redetermination Alerts: We will implement an automated alert system within CJAMS to notify Title IV-E Specialists and supervisors 30 days prior to the redetermination due date, allowing sufficient time to gather documentation and complete the review. These actions will improve our compliance with federal claim requirements and reduce delays in processing eligibility determinations.		
Recommendation 12b	Agree	Estimated Completion Date:	July 2026
Please provide details of corrective action or explain disagreement.	We are committed to ensuring that Title IV-E eligibility determinations are proper, as required by SSA policy. We will conduct reviews to ensure proper and timely determinations through the following corrective actions:		

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	1. Improving Quality Assurance (QA) Processes: We will update our existing QA process to align with required determination timeframes. We will identify the average time it takes to complete determinations and track trends over time. We will then implement a QA tool within CJAMS to monitor compliance with case reviews and automate QA findings for immediate performance feedback. This will eliminate the need for supervisor approval to reduce delays and streamline case completion. 2. Improve Monitoring and Training: We will track compliance trends and identify areas for improvement across all jurisdictions. To reinforce policy and procedural updates, we will conduct annual spring Title IV-E refresher training for team members. We will develop a monthly internal review process to track regional compliance and coordinate with supervisors to ensure team members are consistently following our policies. 3. Strengthen Reporting and Claiming: We will improve Title IV-E reporting capabilities in CJAMS to monitor the timeliness and accuracy of determinations, and identify cases without completed determinations and claim IV-E funds within the federally allowable eight-quarter timeframe. We will review final (eighth) quarter reports to ensure all eligible claims have been submitted before the claiming window closes. We will coordinate with the Title IV-E fiscal team to reconcile missed claims and ensure future eligibility determinations are aligned with timely claiming. 4. Data System Updates: We will ensure all remaining migrated cases are fully updated in CJAMS to support ongoing eligibility tracking and compliance. We are fully committed to ensuring proper and timely Title IV-E eligibility determinations. These corrective actions will improve accountability, reduce delays, and ensure we maximize federal reimbursement opportunities while maintaining compliance with federal and state requirements.
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Auditor's Comment: SSA's response indicated that it does not fully agree with the analysis because federal regulations do not require eligibility determinations to be made within 60 days. Our analysis clearly indicates that this requirement is found in State regulations.

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Finding 13

SSA did not request federal reimbursement for all eligible qualified residential treatment placements (QRTP) and evidence-based practices (EBP) expenditures, resulting in the failure to obtain federal reimbursement for at least \$2.6 million.

We recommend that SSA establish procedures to ensure that federal reimbursement is obtained for all eligible QRTP and EBP expenditures.

Agency Response			
Analysis			
Please provide additional comments as deemed necessary.	We are fully committed to obtaining federal reimbursement for all eligible Qualified Residential Treatment Program (QRTP) and Evidence-Based Practice (EBP) expenditures.		
	We acknowledge our existing system and documentation challenges have impacted our ability to fully maximize federal reimbursement for QRTP and EBP expenditures under the Family First Prevention Services Act (FFPSA). However, we respectfully disagree with the assertion that we have not requested a \$3.1 million federal reimbursement.		
	While we have not fully optimized our claiming capacity, we submitted claims totaling \$1,118,634 in federal reimbursement for QRTP placements. We first submitted these claims in June 2024, which included retroactive claims dating back to 2022.		
	Additionally, during the reporting period from December 2023 through December 2024, we submitted \$681,829 in prevention services claims. These prevention-related claims are submitted quarterly through Maryland's CB-496 federal reporting process. Federal reimbursement claims for calendar year 2025 are being processed and are still under review.		
	We remain committed to strengthening our claiming infrastructure and will continue to implement improvements to ensure timely and accurate federal reimbursement submissions.		
Recommendation 13	Agree	Estimated Completion Date:	July 2027

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Please provide details of corrective action or explain disagreement.	We are fully committed to ensure that we maximize federal reimbursement for all QRTP and EBP expenditures under the FFPSA. To address the finding, we are implementing the following strategies: 1. Evidence-Based Practices (EBPs): Expert Analysis and Strategy Development: We contracted a subject matter expert (PKG) to conduct a comprehensive analysis of our practices, system processes, and documentation procedures. PKG will make recommendations to improve our capacity to maximize federal claims for EBP services. CJAMS Provider Portal Development We are developing a Provider Portal within CJAMS to allow service providers to directly enter service data, track service delivery, and document associated costs per child. This will streamline data collection and support accurate and timely claims. We aim to complete this in FY 2027. Automated Claiming Tracker We are implementing a system to automate the monthly review of potentially claimable children. The tracker will: ● Monitor required documentation, ● Alert local departments of missing or incomplete federal data in real time, and ● Ensure proper case documentation to support reimbursement claims. ● This system will be implemented in January 2026. Contract Standardization for Monitoring: We are exploring strategies to onboard all locally managed FFPSA-supporting contracts into the statewide agreements we manage. This shift will allow for consistent oversight, monitoring, and federal claiming requirement alignment across all jurisdictions. 2. Qualified Residential Treatment Programs (QRTPs) To maximize claiming for QRTPs, we will increase the number of providers with QRTP designation and increase the number of Qualified Individuals who complete the required assessments under FFPSA. We will improve CJAMs to help LDSSs complete required document verification and ensure compliance with eligibility requirements for claiming reimbursements in January 2026.
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	We published a Statement of Need in June 2025 to attract residential child care providers, emphasizing QRTP requirements. We plan an Expression of Interest in Fall 2025 focused on expanding QRTP capacity. We are also exploring regionalized Qualified Individual staffing to expand statewide coverage. We are revising SSA Policy #21-07 to include guidance on assessments for continued QRTP placements beyond six or 12 months, depending on the youth's age. This will assist with continued claiming efforts. We are also facilitating monthly collaborative meetings with QIs to review practice standards, documentation protocols, and claiming procedures. We meet monthly with IV-E staff to resolve questions and support accurate claims for QRTP placements. We are committed to strengthening our systems, guidance, and staffing to support a full implementation of FFPSA and ensure that all eligible expenditures are properly documented and claimed for federal reimbursement.
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Auditor's Comment: SSA's response indicates that it disagrees with our analysis that it did not request \$3.1 million in federal reimbursement because it requested reimbursement for approximately \$1.1 million in QRTP claims dating back to 2022. SSA could not provide us with documentation to support that these amounts specifically related to the amounts we tested. Given that QRTP expenditures during this period totaled \$51.1 million, SSA's response raises new concerns that the total federal funds not recovered by SSA significantly exceeds the amount identified by our audit.

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Agency Response Form

Interagency Agreements

Finding 14

SSA did not ensure that certain payments made to a State university for three interagency agreements were adequately supported, were reasonable in relation to the tasks performed, and were made in accordance with the terms of the agreements.

We recommend that SSA

- a. implement a process to ensure the propriety of State university invoices.
For example, obtain and review payroll records or restructure the agreements to base payment on specific deliverables to be monitored by SSA, or a combination thereof (repeat); and**
- b. ensure all staffing changes are documented and approved.**

Agency Response			
Analysis			
Please provide additional comments as deemed necessary.			
Recommendation 14a	Agree	Estimated Completion Date:	February 2026
Please provide details of corrective action or explain disagreement.	We agree with the recommendation and will hold ourselves accountable to improve oversight of payments and performance under interagency agreements with State universities. To strengthen fiscal accountability and alignment with contract expectations, we are transitioning to deliverable-based contracts beginning with the three reviewed under this audit. Over the next four to six months, we will work with university partners, our Attorney General's office, and the Office of Contracts and Procurement to restructure current agreements to include clear deliverables, timelines, and payment terms tied to the completion of those deliverables. We will also develop internal procedures to monitor progress and ensure payments are made based on satisfactory work.		

**Department of Human Services
Social Services Administration**

Agency Response Form

	These changes are expected to be completed by February 2026, with periodic internal reviews to ensure their compliance and effectiveness.		
Recommendation 14b	Agree	Estimated Completion Date:	November 2025
Please provide details of corrective action or explain disagreement.	Our Contracts Unit will issue written notification to all university partners and Program Monitors to maintain accountability in the administration of Interagency Agreements and ensure continued compliance with contract terms. This notification will reiterate the contractual requirement for prior approval before any key personnel changes.		

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