

# STATE OF CONNECTICUT



***AUDITORS' REPORT  
DIVISION OF CRIMINAL JUSTICE  
FISCAL YEARS ENDED JUNE 30, 2019 AND 2020***

**AUDITORS OF PUBLIC ACCOUNTS**  
JOHN C. GERAGOSIAN ❖ CLARK J. CHAPIN

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November 9, 2021

**EXECUTIVE SUMMARY**

In accordance with the provisions of Section 2-90 of the Connecticut General Statutes, we have audited certain operations of the Division of Criminal Justice for the fiscal years ended June 30, 2019 and 2020. Our audit identified internal control deficiencies, instances of noncompliance with laws, regulations, and policies, and a need for improvement in practices and procedures that warrant the attention of management. The significant findings and recommendations are presented below:

<a href="#">Page 7</a>	Our audit disclosed that 13 purchase orders, totaling \$113,082, did not have sufficient funds committed at the time expenditures were incurred. The Division of Criminal Justice should improve internal controls to ensure that it properly approves and monitors purchase orders. The division should guarantee funds are available prior to the purchase of goods or services. (See Recommendation 1.)
<a href="#">Page 7</a>	Our review of the division’s drug asset forfeiture receivable records as of June 30, 2020, continued to disclose \$62,338 in delinquent receivables, including one dating back to 1994. The Division of Criminal Justice should strengthen internal controls over drug asset forfeiture receivables and should implement procedures to comply with the State Accounting Manual. (See Recommendation 2.)
<a href="#">Page 9</a>	We noted four instances during the audit period in which the division rehired employees in excess of the two-calendar year limit. The Division of Criminal Justice should abide by Executive Order 27-A and not rehire retirees for more than two 120-day periods. (See Recommendation 3.)
<a href="#">Page 10</a>	Our review of 20 employees’ medical leaves of absence disclosed 12 instances in which the division did not have the required medical certificates on file. The Division of Criminal Justice should continue to improve its monitoring of employee medical leave to ensure that its employees provide medical certificates a standard form prescribed by the Commissioner of Administrative Services for statewide use. (See Recommendation 4.)
<a href="#">Page 12</a>	Our review of the division’s time and labor coding during the audited period disclosed that it continued to improperly use the leave other paid (LOPD) time reporting code on timesheets. The Division of Criminal Justice should discontinue its practice and policy of using the leave other paid time reporting code for hours that would normally be recorded as compensatory time. (See Recommendation 5.)
<a href="#">Page 13</a>	The division did not maintain a complete and accurate software inventory database and did not perform an annual physical inventory. The Division of Criminal Justice should continue its efforts to complete its software inventory in accordance with the State Property Control Manual. The division should develop policies and procedures to comply with the annual software inventory requirement of the State Property Control Manual. (See Recommendation 6.)

# STATE OF CONNECTICUT



## AUDITORS OF PUBLIC ACCOUNTS

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Hartford, Connecticut 06106-1559

JOHN C. GERAGOSIAN

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November 9, 2021

### **AUDITORS' REPORT DIVISION OF CRIMINAL JUSTICE FISCAL YEARS ENDED JUNE 30, 2019 and 2020**

We have audited certain operations of the Division of Criminal Justice in fulfillment of our duties under Section 2-90 of the Connecticut General Statutes. The scope of our audit included, but was not necessarily limited to, the fiscal years ended June 30, 2019 and 2020. The objectives of our audit were to:

1. Evaluate the division's internal controls over significant management and financial functions;
2. Evaluate the division's compliance with policies and procedures internal to the division or promulgated by other state agencies, as well as certain legal provisions; and
3. Evaluate the effectiveness, economy, and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing written policies and procedures, financial records, minutes of meetings, and other pertinent documents; interviewing various personnel of the division, as well as certain external parties; and testing selected transactions. Our testing was not designed to project to a population unless specifically stated. We obtained an understanding of internal controls that we deemed significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contracts, grant agreements, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted this performance audit 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.

The accompanying Résumé of Operations is presented for informational purposes. This information was obtained from various available sources including, but not limited to, the division's management and the state's information systems, and was not subjected to the procedures applied in our audit of the division. For the areas audited, we:

1. Identified deficiencies in internal controls;
2. Identified apparent non-compliance with laws, regulations, contracts and grant agreements, policies, and procedures; and
3. Identified a need for improvement in management practices and procedures that we deemed to be reportable.

The State Auditors' Findings and Recommendations section of this report presents findings arising from our audit of the Division of Criminal Justice.

## **COMMENTS**

### **FOREWORD**

The Division of Criminal Justice was established within the Executive Branch pursuant to Article 23 of the Amendments to the Connecticut Constitution and under the provisions of Section 51-276 of the General Statutes. The division has all management rights except the appointment of state's attorneys. Under Article 23, the chief state's attorney is the administrative head of the division.

The Office of the Chief State's Attorney is responsible for the statewide administrative functions of the Division of Criminal Justice. The division includes the administrative office and bureaus of the chief state's attorney and the separate district offices of each of the thirteen state's attorneys. The division is responsible for the investigation and prosecution of all criminal matters in the state, including traffic violations, housing court, juvenile issues, misdemeanor crimes, and felony cases. Each state's attorney is responsible for the operations within their respective district. The chief state's attorney generally provides administrative oversight, assistance or guidance when it is requested.

The Office of the Chief State's Attorney also operates the following specialized bureaus and units within the central office: Appellate Bureau, Asset Forfeiture Bureau, Civil Litigation Bureau, Statewide Prosecution Bureau, Cold Case/Shooting Task Force Bureau, Medicaid Fraud Control Unit, Unemployment Compensation Fraud Unit, Workers' Compensation Fraud Control Unit, and Witness Protection Unit. Program areas include crimes involving elder abuse, violence against women, cold case, witness protection, housing, and juvenile matters.

Kevin T. Kane served as chief state's attorney until his retirement effective December 1, 2019. Richard J. Colangelo, Jr. was appointed chief state's attorney effective February 1, 2020, and continues to serve in that capacity.

## **Criminal Justice Commission**

The Criminal Justice Commission is an entity separate from the Division of Criminal Justice and exists pursuant to Article 23 of the Amendments to the Connecticut Constitution and Section 51-275a of the General Statutes. The commission is granted authority under Section 51-278 of the General Statutes to appoint the chief state's attorney to a five-year term, two deputy chief state's attorneys to four-year terms, and a state's attorney for each judicial district to eight-year terms. The commission appoints statutorily mandated prosecutors, as well as prosecutors requested by the chief state's attorney. Furthermore, the commission can remove any of the state's attorneys after due notice and hearing. The division provides staff support for the commission.

Terms of the six Criminal Justice Commission members, who are nominated by the Governor and appointed by the General Assembly, are coterminous with the Governor. As of June 30, 2020, the Criminal Justice Commission consisted of the following members:

Honorable Andrew J. McDonald (Chair)  
Honorable Melanie L. Cradle  
Robert Berke, Esquire  
Reginald Dwayne Betts, Esquire  
Scott Murphy, Esquire  
Moy N. Ogilvie, Esquire

Richard J Colangelo, Jr. (Ex-Officio)

During the audited period, the Honorable Juliett L. Crawford, Mary M. Galvin, Esquire, Eric George, Esquire, and Erik Russell, Esquire also served on the commission.

Commission members serve without compensation, except for necessary expenses incurred in performing their duties.

## **Recent Legislation**

- **Public Act 19-59**, effective July 1, 2019, required the Division of Criminal Justice, in consultation with various state entities, to collect disaggregated, case-level data on adult defendants. The act also required the division to annually provide the data to the Office of Policy and Management beginning February 1, 2021.

## **RÉSUMÉ OF OPERATIONS**

### **General Fund Receipts and Expenditures**

A comparison of General Fund revenues and expenditures for the fiscal years under review and the preceding year follows:

<b>General Fund Receipts</b>	<b>Fiscal Year Ended June 30,</b>		
	<b>2018</b>	<b>2019</b>	<b>2020</b>
Penalties and Settlements	\$1,566,528	\$ 600,162	\$4,294,915
Bond Forfeitures	1,353,500	1,124,625	832,725
Federal Aid – Miscellaneous	1,776,842	1,690,663	1,934,832
All Other Receipts	60,792	26,313	49,027
<b>Total General Fund Receipts</b>	<b>\$4,757,662</b>	<b>\$3,441,764</b>	<b>\$7,111,500</b>

General Fund receipts fluctuated due to large settlements and bond forfeitures that varied from year to year. General Fund receipts decreased by \$1,315,898 for the 2018-2019 fiscal year, and increased by \$3,669,736 for the 2019-2020 fiscal year. Medicaid settlements with pharmaceutical companies caused the increase in penalties and settlement revenues during the 2019-2020 fiscal year. The receipts for bond forfeitures varied due to the size of the initial bonds, the number of defendants who failed to appear, and the number of bondsmen who file motions to release bonds. The receipts for Federal Aid – Miscellaneous are from the federal government for the operation of the Medicaid Fraud Control Unit. The division receives quarterly reimbursements from the federal government for 75% of the unit’s actual expenditures. There is also a four-month lag between the expenditures and federal reimbursements.

The division’s General Fund expenditures for the fiscal years under review and the preceding year are as follows:

<b>General Fund Expenditures</b>	<b>Fiscal Year Ended June 30,</b>		
	<b>2018</b>	<b>2019</b>	<b>2020</b>
Personal Services and Employee Benefits	\$44,132,102	\$45,479,151	\$45,971,750
Purchases and Contracted Services	1,157,827	1,257,988	1,167,896
Premises and Property Expenses	490,119	474,679	506,847
Motor Vehicle Costs	260,889	268,560	214,750
Information Technology and Communications	549,085	538,084	495,751
Purchased Commodities	181,013	260,172	231,326
Other Charges	131	114	40,874
Capital Outlays-Equipment	0	24,801	58,783
<b>Total General Fund Expenditures</b>	<b>\$46,771,166</b>	<b>\$48,303,549</b>	<b>\$48,687,977</b>

General Fund expenditures increased by \$1,532,383 and \$384,427 for the 2018-2019 and 2019-2020 fiscal years, respectively. The majority of the budgeted expenditures are personal services and employee benefits. The Personal Services and Employee Benefits expenditures increased by \$1,347,049 for fiscal year 2018-2019, and \$492,599 for fiscal year 2019-2020 due to the hiring of permanent employees to replace temporary employees. In addition, due to the SEBAC 2017 agreement, the state deferred the payment for longevity until the 2018-2019 fiscal year. Therefore, the state issued three longevity payments in the 2018-2019 fiscal year. Purchased and Contracted Services expenditures increased by \$100,161 due to the agency hiring temporary employees for the 2018-2019 fiscal year and decreased by \$90,092 for the 2019-2020 fiscal year due to a reduction in legal consulting, temporary staffing and assistance on labor and related issues.

**Federal and Other Restricted Accounts Fund**

The division’s Federal and Other Restricted Accounts Fund receipts for the audited period, as compared to the preceding year, are as follows:

<b>Receipts</b>	<b>Fiscal Year Ended June 30,</b>		
	<b>2018</b>	<b>2019</b>	<b>2020</b>
Federal Grants	\$ 163,152	\$ 212,413	\$ 767,347
Non-Federal Grants	537,148	322,063	3,500
Drug Asset Forfeitures	158,322	171,710	122,737
<b>Total Federal and Other Receipts</b>	<b>\$ 858,622</b>	<b>\$ 706,186</b>	<b>\$ 893,583</b>

Federal grant revenue increased by \$49,261 for the 2018-2019 fiscal year and \$554,934 for the 2019-2020 fiscal year. The increase in the federal grant revenue is due to the division receiving a pass-through grant from the Department of Mental Health and Addiction Services (DHMAS) to fund the Early Screening and Innovation Program (ESI). ESI is a pilot program to enhance the role of prosecutors in promoting diversion and other alternatives to incarceration.

The Drug Asset Forfeitures revenue increased by \$13,388 for the 2018-2019 fiscal year and decreased by \$48,973 for the 2019-2020 fiscal year. The Drug Asset Forfeitures revenue fluctuates based upon the number and dollar amount of cases.

Non-federal grants decreased by \$215,084 for the 2018-2019 fiscal year and \$318,563 for the 2019-2020 fiscal year. The decrease in non-federal grants is attributed to a reduction in funding from the Center for Court Innovation (CCI) for the Early Screening and Intervention Program (ESI). CCI funded ESI through June 30, 2019. As mentioned above, DHMAS funded the program in fiscal year ended 2020.

The division’s Federal and Other Restricted Accounts Fund expenditures for the audited period, as compared to the preceding year, are as follows:

<b>Federal and Other Expenditures</b>	<b>Fiscal Year Ended June 30,</b>		
	<b>2018</b>	<b>2019</b>	<b>2020</b>
Personal Services and Employee Benefits	\$ 767,226	\$ 643,151	\$ 454,182
All Other Expenditures	87,235	138,056	233,374
<b>Total Federal and Other Expenditures</b>	<b>\$ 854,460</b>	<b>\$ 781,207</b>	<b>\$ 687,556</b>

The total federal and other expenditures decreased by \$73,253 for the 2018-2019 fiscal year and \$93,651 for the 2019-2020 fiscal year. Personal services and employee benefits decreased by \$124,075 for the 2018-2019 fiscal year and \$188,969 for the 2019-2020 fiscal year. The decrease is due to the elimination of funding from the Department of Labor for the division’s Unemployment Fraud Control Unit at the end of the 2017-2018 fiscal year. The division eliminated three full-time positions at the beginning of the 2018-2019 fiscal year. In addition, the agency eliminated several temporary positions. All Other expenditures increased by \$50,822 for the 2018-2019 fiscal year and \$95,318 for the 2019-2020 fiscal year. The increases in other expenditures



were due to the division’s Early Screening Intervention Program, which provided counselors in a number of judicial districts.

**Workers’ Compensation Fund**

The division’s Workers’ Compensation Fund expenditures for the audited period, as compared to the preceding year, are as follows:

<b>Workers’ Compensation Fund</b>	<b>Fiscal Year Ended June 30,</b>		
	<b>2018</b>	<b>2019</b>	<b>2020</b>
Personal Services and Employee Benefits	\$ 644,791	\$ 676,054	\$ 677,011
Motor Vehicles	3,848	5,356	2,478
All Other Expenditures	2,659	2,696	2,659
<b>Total Workers’ Compensation Fund Expenditures</b>	<b>\$ 651,299</b>	<b>\$ 684,106</b>	<b>\$ 682,203</b>

The division’s Workers’ Compensation Fund expenses increased by \$32,807 in the 2018-2019 fiscal year and decreased by \$1,903 in the 2019-2020 fiscal year. These expenses are related to the investigation and prosecution of workers’ compensation crimes.

**Capital Improvements and Other Purpose Fund**

Capital Improvements and Other Purpose Fund expenditures totaled \$88,947 and \$155,834, during the fiscal years ended June 30, 2019 and 2020, respectively. The increase in expenditures was due to an upgrade to the division’s Case Management System which was approved by the Office of Policy and Management.

**Capital Equipment Fund**

Capital Equipment Fund expenditures totaled \$338,299 and \$1,780,050, during the fiscal years ended June 30, 2019 and 2020, respectively. The increase in expenditures was due to the statewide replacement of the division’s computer equipment.

## STATE AUDITORS' FINDINGS AND RECOMMENDATIONS

Our examination of the records of Division of Criminal Justice disclosed the following seven recommendations, all of which have been repeated from the previous audit:

### **Expenditure Transactions Without Proper Accounting Commitments**

*Criteria:* Section 4-98(a) of the General Statutes states that no budgeted agency may incur any obligation except by the issuance of a purchase order and a commitment transmitted to the State Comptroller.

Good business practices and internal controls related to purchasing require proper authorization of commitment documents prior to the receipt of goods or services.

*Condition:* During our review of non-payroll expenditures for the fiscal years ended June 30, 2019 and 2020, we noted 13 purchase orders, totaling \$113,082, did not have sufficient funds committed at the time expenditures were incurred.

*Context:* The division's non-payroll expenditures totaled \$3,483,167 and \$4,944,147 for the fiscal years ended June 30, 2019 and 2020, respectively.

*Effect:* When the division incurs expenditures prior to the commitment of funds, there is less assurance that funding will be available at the time of payment.

*Cause:* The division's internal controls were not sufficient to ensure that committed funds were available prior to the purchase of goods or services.

*Prior Audit Finding:* This finding has been previously reported in the last audit report covering the fiscal years ended June 30, 2017 and 2018.

*Recommendation:* The Division of Criminal Justice should improve internal controls to ensure that it properly approves and monitors purchase orders. The division should guarantee committed funds are available prior to the purchase of goods or services. (Recommendation 1.)

*Agency Response:* "The Division will establish guidelines to strengthen our internal controls in order to ensure that purchase orders are created, approved, and posted prior to the acceptance of any good or service."

### **Outstanding Drug Asset Forfeiture Receivables**

*Background:* Property related to the illegal sale or exchange of controlled substances or money laundering is subject to forfeiture to the state pursuant to Section 54-36h of the General Statutes. In accordance with subsection (b) of this

section, not later than 90 days after the seizure of money or property subject to forfeiture, any prosecutor of the Division of Criminal Justice may petition the court in the nature of a proceeding in rem (imposing a general liability) to order forfeiture of said money or property. At such hearing, the court shall hear evidence, make findings of fact, enter conclusions of law, and shall issue a final order, from which the parties shall have such right of appeal as from a decree in equity. Upon a judgement from the courts, custodial police departments are required to convert currency forfeitures into certified checks and forward the monies to the Division of Criminal Justice for deposit into the drug asset forfeiture revolving account.

Section 54-36i of the General Statutes requires monies deposited into the drug asset forfeiture revolving account to be distributed to the Department of Emergency Services and Public Protection, the Department of Mental Health and Addiction Services, the Division of Criminal Justice, and local police departments.

*Criteria:* The State Accounting Manual sets forth the accounting procedures for receivables and the division's responsibility for establishing and maintaining effective internal controls. Each state agency is responsible to collect funds owed to the state in the most effective and efficient manner possible.

*Condition:* Our review of the division's drug asset forfeiture receivable records as of June 30, 2020, continued to disclose 58 delinquent receivables totaling \$62,338, including one case dating back to 1994. Of this amount, the City of Bridgeport has \$29,018 in receivables for 35 cases, which includes \$1,363 of receivables for which we could not determine how long they were outstanding.

*Context:* DCJ reported outstanding drug assets receivables of \$227,233 and \$88,298, as of June 30, 2019 and 2020, respectively.

*Effect:* Untimely collection efforts of these outstanding drug asset forfeiture receivable balances increases the risk for them to be misstated and uncollectible.

*Cause:* The division disbanded the centralized Asset Forfeiture Bureau on June 1, 2016, leaving the responsibility of addressing the cases with its limited fiscal staff and judicial district employees. In addition, the lack of compliance by local police departments has made it difficult for the division to collect the outstanding receivables.

*Prior Audit Finding:* This finding has been previously reported in the last five audit reports covering fiscal years ended June 30, 2009 to June 30, 2018.

*Recommendation:* The Division of Criminal Justice should strengthen internal controls over drug asset forfeiture receivables and should implement procedures to comply with the State Accounting Manual. (Recommendation 2.)

*Agency Response:* “The Division regularly reports to municipalities on the status of funds owed to the State’s Drug Asset Forfeiture Revolving Fund (the “Fund”). Police departments’ responses help to identify those receivables that are collectible, uncollectible, and those, which do not constitute valid receivables. For funds that are uncollectible, which include monies lost or stolen at a police department or lack supporting documentation, written verification signed by a chief of police or other high ranking municipal official is required in order to write-off the receivable. Despite substantial efforts to collect funds, lack of compliance by law enforcement agencies have hindered the Division’s ability to act on older receivables to determine if in fact they are valid receivables. Regarding outstanding receivables documented in the Condition paragraphs referenced above, the fiscal year ended 2020 receivable of \$62,338 has been reduced by \$47,625 (76.4%). Based on our communications with the respective law enforcement agencies, the remaining balance is deemed uncollectible (i.e. turned over to the Clerk of the Court for deposit to the General Fund, or other agency) and we are awaiting documentation to adjust our records. The Division has made significant progress and will continue to identify and seek to collect receivables from law enforcement agencies in a timely manner.”

### **Excessive Number of Work Periods for Rehired Retirees**

*Criteria:* Governor Rell’s Executive Order 27-A provides that a retiree may be rehired for periods not to exceed 120 days per calendar year and that individual retirees can be rehired to work no more than two 120-day periods.

According to the division’s policy, the chief state’s attorney has the authority to fill, convert, transfer or create a permanent or temporary position.

*Condition:* Our review of rehired employees during the audit period disclosed four instances in which the agency rehired employees in excess of the two calendar-year limit. The rehired employees worked two to six years over the two-year limit.

*Context:* The Division of Criminal Justice rehired 25 retirees during the audit period.

*Effect:* It does not appear the rehired employees had a true separation from state service.

*Cause:* The Division of Criminal Justice maintains the two-year hiring restriction does not apply to the division. The division bases its assessment on an email

from the Department of Administrative Services. The email included an interpretation of a 2009 letter from the Secretary of the Office of Policy and Management and the Commissioner of Administrative Services to the Chief State's Attorney which urged the division to comply with the Governor's Executive Order 27-A.

*Prior Audit Finding:* This finding has been previously reported in the last two audit reports covering the fiscal years ended June 30, 2015 to June 30, 2018.

*Recommendation:* The Division of Criminal Justice should abide by Executive Order 27-A and not rehire retirees for more than two 120-day periods. (Recommendation 3.)

*Agency Response:* "The Division has completely overhauled the use of Temporary Worker Retirees (TWR). We have reviewed the use and function of these positions. In cases where a permanent need was demonstrated, we have hired permanent employees and discontinued the use of TWRs. Due to COVID, all TWRs on our books were separated in June of 2020. Going forward the Division intends to use these positions sparingly and within the confines of Executive Order 27-A. Currently there are only two TWRs on our payroll and both are within their first calendar year of service. Their positions are set to expire as of 12/31/2021. As that date nears, we will determine if a second year of service is required or if the temporary need is complete."

### **Absence of Medical Certificates on File**

*Criteria:* Section 5-247-11 of the Regulations of Connecticut State Agencies requires that an acceptable medical certificate be on a form prescribed by the Commissioner of Administrative Services. Employees must submit a medical certificate to substantiate a period of sick leave of more than five consecutive working days. The medical certificate must be signed by a licensed physician or other practitioner whose method of healing is recognized by the state.

The Department of Administrative Services recommends that state employees absent for health reasons use the Employee Medical Certificate (P-33A) Form.

Division policy states that supervisors are responsible for ensuring that employees are using sick leave properly. Employees should report an absence due to illness or injury as soon as possible. Employees should submit an acceptable medical certificate that is required for an absence of more than five consecutive workdays to the Human Resource Unit. Various collective bargaining agreements specify the same policy.

*Condition:* Our review of 20 medical leaves of absence disclosed 12 instances in which the division did not have the required medical certificates on file. However, in two instances, a doctor’s note was on file.

*Context:* During the audit period, 47 employees were on medical leave for more than five consecutive days totaling 739 days. We reviewed the records of 20 employees on medical leave totaling 329 days.

*Effect:* When the division does not have the required medical certificates on file, there is increased risk that employees may abuse their sick time.

*Cause:* The division does not adequately monitor employees for compliance with the state’s medical certificate requirements. The division’s policy does not specifically require the use of the P-33A Employee Medical Certificate form, nor does it appear to be available on the division’s website. This practice does not comply with various collective bargaining agreements and the state medical certificate requirements. The division currently accepts a medical note in lieu of P-33A Employee Medical Certificate for absences greater than five consecutive working days.

*Prior Audit Finding:* This finding has been previously reported in the last three audit reports covering the fiscal years ended June 30, 2013 to June 30, 2018.

*Recommendation:* The Division of Criminal Justice should continue to improve its monitoring of employee medical leave to ensure that its employees provide medical certificates using a standard form prescribed by the Commissioner of Administrative Services. (Recommendation 4.)

*Agency Response:* “The Division agrees that it must continue to diligently monitor the documentation requirements for employee absences due to medical issues. To that end, the Division will create bi-weekly reports on sick time usage. Human Resources will draft a standardized letter to be sent out to employees along with FMLA paperwork when absences greater than 5 consecutive days of work occur. The Division will also continue its management training program to include instruction on monitoring sick time usage.

Finally, the Division is currently engaged in negotiations for successor collective bargaining agreements with each of its unionized groups and will endeavor to obtain agreement from the unions that the form P-33A will be the only acceptable document for medical certification required for absences of greater than 5 consecutive days of work.”

## **Improper Use of the Leave Other Paid Time Reporting Code**

- Background:* The collective bargaining agreement with the Connecticut Association of Prosecutors does not allow for prosecutors to earn compensatory time for time worked beyond normal work hours.
- Criteria:* The Department of Administrative Services (DAS) General Letter 170 provides agencies the authority to grant time off with pay under certain circumstances not covered by statute. These circumstances include jury duty, subpoena or other order of the court, state examinations, grievances, or other conditions such as employee conventions, veterans' conventions, and special closings due to weather or national events, which are addressed on an individual basis.
- According to the Core-CT Time Reporting Codes (TRC) job aid, Leave Other Paid (LOPD), state employees are entitled to paid leave for general use such as fire duty, Red Cross volunteering and civil leave when the absence is unrelated to their state duties. The division should use the appropriate override reason code in conjunction with this time reporting code to better define the reason for the absence.
- Condition:* Our review of the division's time and labor coding during the audited period disclosed that the division continued the use of the LOPD time reporting code on timesheets. The chief and deputy chief state's attorneys issued a memorandum to staff in 2007 allowing prosecutors to charge LOPD when case work takes them beyond their normal schedule. This contradicts the state LOPD policy. The division uses the LOPD code in lieu of compensatory time.
- Context:* During the audit period, the Division of Criminal Justice paid 674 hours of LOPD to 49 employees.
- Effect:* The division's use of LOPD is not in compliance with state policy. The division is using LOPD in lieu of compensatory time.
- Cause:* The division did not consult with the Department of Administrative Services prior to developing its LOPD time reporting code policy.
- Prior Audit Finding:* This finding has been previously reported in the last two-audit reports covering the fiscal years ended June 30, 2015 to June 30, 2018.
- Recommendation:* The Division of Criminal Justice should discontinue its practice and policy of using the leave other paid time reporting code for hours that would normally be recorded as compensatory time. (Recommendation 5.)

*Agency Response:* “The Division is in negotiations for a successor agreement to the current Connecticut Association of Prosecutor bargaining agreement and will be negotiating alternatives to LOPD.”

**Property Control and Software Inventory Deficiencies**

*Criteria:* Chapter 7 of the State Property Control Manual establishes statewide inventory control policies and procedures. A software inventory must be established to track and control all software media licenses or end user license agreements, certificates of authenticity (where applicable), documentation and related items. Agencies must annually produce the software inventory report and maintain an inventory record for all licensed, owned, and agency-developed software.

*Condition:* The division uses the Windows System Center Configuration Manager to track its software purchases. The agency did not perform an annual physical inventory of its software nor reconcile its SharePoint software inventory list to the Windows System Center Configuration Manager. In addition, the division’s SharePoint database software inventory list did not comply with the State Comptroller’s requirements.

*Context:* During the audited period, the division reported software inventory of \$273,362 for the fiscal years ended June 30, 2019 and 2020, respectively.

*Effect:* The division did not comply with the State Property Control Manual. When the division does not maintain software records and does not conduct an annual software inventory there is increased risk that software purchases are not properly reported and accounted for. This may result in financial liability for the state.

*Cause:* It appears to be lack of managerial oversight.

*Prior Audit Finding:* This finding has been previously reported in the last five audit reports covering the fiscal years ended June 30, 2010 to June 30, 2018.

*Recommendation:* The Division of Criminal Justice should continue its efforts to complete its software inventory in accordance with the State Property Control Manual. The division should develop policies and procedures to comply with the annual software inventory requirement of the State Property Control Manual. (Recommendation 6.)

*Agency Response:* “The Division agrees with this finding and will work to develop a more detailed software tracking inventory procedure to include those items required by the State Property Control Manual. The Division has already started this project by developing a Software Tracking SharePoint Site for



each piece of software. This project is projected to be completed by the end of the current fiscal year.”

### **Access to Core-CT for Terminated Employees**

*Criteria:* The Core-CT Security Liaison Guide states that upon the notice of an employee’s termination, retirement, or transfer to another department or agency, the agency’s security liaison should request immediate deactivation of an employee’s access to Core-CT.

*Condition:* Our review of Core-CT system access for 20 employees terminated during the audit period disclosed that six employees’ accounts remained active from 3 to 36 months after termination. In addition, in following up on the prior audit finding, we noted that the account for one of the seven employees reported in the prior audit remained active.

*Context:* During the audited period, there were 69 and 44 terminated employees during the fiscal years ended June 30, 2019 and June 30, 2020, respectively.

*Effect:* There is an increased risk of unauthorized access to the Core-CT system and possible manipulation of data.

*Cause:* The division does not have appropriate controls to ensure that it immediately deactivates employee Core-CT access upon termination. The division does not manually deactivate accounts when employees receive their last paycheck, but waits for the automated Core-CT process.

*Prior Audit Finding:* This finding has been previously reported in the last audit report covering the fiscal years ended June 30, 2017 and June 30, 2018.

*Recommendation* The Division of Criminal Justice should establish internal controls to promptly deactivate terminated employees’ access to the Core-CT system. (Recommendation 7.)

*Agency Response:* “The Division agrees with this finding. Currently, once the Payroll Office has approved final payout for a regular termination, the employee is locked out of CORE. The audit brought to our attention that when an employee is terminated who does not receive any sort of final payout (such as with a TWR or intern) this step has sometimes been missed.

Going forward, the Payroll Office will continue to lock out all separations for full time permanent positions. Human Resources will lock out terminations of non-permanent positions at the time the record is terminated in CORE.”

## RECOMMENDATIONS

### Status of Prior Audit Recommendations:

Our prior audit report on the Division of Criminal Justice contained ten recommendations. Three have been implemented or otherwise resolved and seven have been repeated or restated with modifications during the current audit.

- The Division of Criminal Justice should strengthen internal controls over drug asset forfeiture receivables and should implement procedures to comply with the State Accounting Manual. **Our current audit disclosed this condition has not been resolved and will be repeated. (See Recommendation 2.)**
- The Division of Criminal Justice should abide by Executive Order 27-A and not rehire retirees for more than two 120-day periods. **Our current audit disclosed this condition has not been resolved and will be repeated. (See Recommendation 3.)**
- The Division of Criminal Justice should continue to improve its monitoring of employee medical leave to ensure that its employees provide medical certificates in the form prescribed by the Commissioner of Administrative Services. **Our current audit disclosed this condition has not been resolved and will be repeated. (See Recommendation 4.)**
- The Division of Criminal Justice should continue its efforts to complete its software inventory. The division should develop policies and procedures to comply with the State Comptroller's annual software inventory requirements. **Our current audit disclosed this condition has not been resolved and will be repeated. (See Recommendation 6.)**
- The Division of Criminal Justice should discontinue its practice and policy on the use of the leave other paid (LOPD) time reporting code for hours that would normally be recorded as compensatory time. **Our current audit disclosed this condition has not been resolved and will be repeated. (See Recommendation 5.)**
- The Division of Criminal Justice should strengthen its internal controls over state-owned vehicles to ensure compliance with established policies and procedures and the efficient use of state resources. **Our current audit disclosed this condition has been resolved and will not be repeated.**
- The Division of Criminal Justice should implement the Core-CT Employee Self-Service electronic timesheet process to gain efficiencies in time and monitoring that are absent from its current system. **Our current audit disclosed this condition has been resolved and will not be repeated.**
- The Division of Criminal Justice should improve internal controls to ensure that it properly approves and monitors purchase order commitment amounts. The division should ensure committed funds are available prior to the purchase of goods or services. **Our current**

**audit disclosed this condition has not been resolved and will be repeated. (See Recommendation 1.)**

- Division of Criminal Justice should establish internal controls to promptly deactivate terminated employees' access to the Core-CT system. **Our current audit disclosed this condition has not been resolved and will be repeated. (See Recommendation 7.)**
- The Division of Criminal Justice should implement procedures to record and track all public and internal complaints. **Our current audit disclosed this condition has been resolved and will not be repeated.**

**Current Audit Recommendations:**

- 1. The Division of Criminal Justice should improve internal controls to ensure that it properly approves and monitors purchase orders. The division should guarantee committed funds are available prior to the purchase of goods or services.**

Comment:

Our review disclosed that 13 purchase orders, totaling \$113,082, did not have sufficient funds committed at the time expenditures were incurred.

- 2. The Division of Criminal Justice should strengthen internal controls over drug asset forfeiture receivables and should implement procedures to comply with the State Accounting Manual.**

Comment:

Our review of the division's drug asset forfeiture receivable records as of June 30, 2020, continued to disclose \$62,338 in delinquent receivables that appeared uncollectible, including one dating back to 1994.

- 3. The Division of Criminal Justice should abide by Executive Order 27-A and not rehire retirees for more than two 120-day periods.**

Comment:

We noted four instances during the audit period in which the division rehired employees in excess of the two-calendar year limit.

- 4. The Division of Criminal Justice should continue to improve its monitoring of employee medical leave to ensure that its employees provide medical certificates using standard form prescribed by the Commissioner of Administrative Services.**

Comment:

Our review of 20 employees' medical leaves of absence disclosed 12 instances in which the division did not have the required medical certificates on file.

- 5. The Division of Criminal Justice should discontinue its practice and policy of using the leave other paid time reporting code for hours that would normally be recorded as compensatory time.**

Comment:

Our review of the division's time and labor coding during the audited period disclosed that it continued to improperly use the leave other paid (LOPD) time reporting code on timesheets.

- 6. The Division of Criminal Justice should continue its efforts to complete its software inventory in accordance with the State Property Control Manual. The division should develop policies and procedures to comply with the annual software inventory requirement of the State Property Control Manual.**

Comment:

The division did not maintain a complete and accurate software inventory database and did not perform an annual physical inventory.

- 7. The Division of Criminal Justice should establish internal controls to promptly deactivate terminated employees' access to the Core-CT system.**

Comment:

Our review of Core-CT access for 20 terminated employees disclosed six instances in which the division did not promptly terminate account access after their separation from state service. These accounts remained active for up to three years after their separation.

**ACKNOWLEDGMENTS**

The Auditors of Public Accounts wish to express our appreciation for the courtesies and cooperation extended to our representatives by the personnel of the Division of Criminal Justice during the course of our examination.

The Auditors of Public Accounts also would like to acknowledge the auditors who contributed to this report:

Sophia Chen  
Kathrien E. Williams



Kathrien E. Williams  
Principal Auditor

Approved:



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State Auditor



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State Auditor