

March 27, 2012

TO: THE PEOPLE OF LEGISLATIVE DISTRICT 8

STOP STATE AGENCIES FROM WASTING FUNDS AND RESOURCES

In early January, as the 2012 General Assembly convened, I wrote to you about the disgraceful mismanagement in several state agencies exposed by audits. The gross mismanagement of funds came to light while most Marylanders are still struggling to make ends meet.

The audit of the State Highway Administration (SHA) revealed that in order to hide overruns, the agency shifted funds between contractors and projects without the required Board of Public Works approval. Auditors also found that between 2008 and 2011, the Department of Health and Mental Hygiene paid \$2.5 million in Medicaid funds to over 300 deceased persons because the agency failed to check with Social Security to identify deceased persons. The Department of Developmental Disabilities returned \$25 million to the state in unspent funds, while 6,500 patients waited for needed care. The Child Support Enforcement Administration failed to collect more than \$1.7 billion owed by noncustodial parents from 2007 to 2010.

The extent of the waste, fraud and mismanagement perpetrated by these and other key state agencies stagger the mind. The end result of the agency mismanagement is that Marylanders are cheated in two ways: their tax dollars are wasted and in many instances, the care or assistance they seek and have every right to expect from the agencies is not given.

Legislation (House Bill 843), which I support has been introduced as an answer to the problem. The bill requires the General Assembly to reduce the budget of a state agency that has not satisfactorily addressed the audit's findings by 5% annually. The measure also specifies that within nine months of the audit report, any agency with five or more repeat audit findings must report quarterly to the Office of Legislative Audits on corrective actions taken. Also, quarterly status reports must be submitted until the Office determines that satisfactory progress has been made to address the audit's findings. The Office of Legislative Audits informs that in the last audit, 38 state agencies had three or more repeat findings in their previous audit report, totaling approximately 160 findings.

I am hopeful that HB 843 will obtain General Assembly approval because past conduct by many agencies has shown clearly that they need to be held to higher standards of performance by strict oversight and periodic monitoring.

Please do not hesitate to contact me about this or any other legislative issue of concern to you. I continue to encourage and welcome your input.