



**New Jersey State Legislature  
Office of Legislative Services  
Office of the State Auditor**

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**EXECUTIVE SUMMARY**

**DEPARTMENT OF HUMAN SERVICES  
LICENSED RESIDENTIAL PROGRAMS  
SERVING INDIVIDUALS WITH DEVELOPMENTAL DISABILITIES  
JULY 1, 2012 TO APRIL 30, 2017**

We found that the department's licensing and monitoring procedures were adequate to ensure applicable residential programs are licensed and in compliance with most relevant licensing regulations. However, the department needs to improve controls to ensure compliance with laws and regulations governing provider employee criminal history background checks. We also noted certain weaknesses regarding inspections and the licensing of supported living programs meriting management's attention. In addition, we observed opportunities for the department to defray certain costs related to the licensing of residential programs.

**AUDIT HIGHLIGHTS**

- Providers hired individuals with disqualifying federal criminal histories. From July 1, 2013 through September 30, 2016, there were 53,200 federal criminal history background check records in the Central Fingerprinting Unit (CFU) database. The CFU disqualified 72 individuals based on the results. However, 9 of the 72 had reported wages from residential program providers subsequent to the background check results. Disqualifying offenses for these individuals included murder, armed robbery, assault and battery, endangering the welfare of a child, and drug offenses.
- State criminal history results are forwarded to the applicant's prospective employer so that the provider can determine whether or not an applicant is disqualified. We reviewed 147 direct service staff individuals with a New Jersey criminal history and found 19 individuals who had criminal histories that may be disqualifying. An additional 40 files lacked adequate documentation to determine if the criminal history was disqualifying. Allowing the provider to make criminal history determinations, rather than the department, stands in contrast to the manner in which criminal background checks are handled by other state departments.
- A community care residence (CCR) is a program operated in a private family home in which the provider resides and delivers care, services, and supports to an individual. CCR providers are subject only to state background checks, and not federal background checks. In addition, their alternates are not required to obtain any criminal background checks. Criminal background checks are necessary to promote the safety of those receiving services.
- Annual inspections of residential programs are essential to the Office of Licensing mission of promoting the health, safety, well-being, and rights of those receiving services in a residential program. For calendar year 2016 and the first quarter of 2017, 6 percent of the programs needing inspections were not completed timely.

**AUDITEE RESPONSE**

The department generally concurs with our findings and recommendations.  
For the complete audit report, click [here](#).