



PERFORMANCE EVALUATION AUDIT
INITIAL OBSERVATIONS AND
RECOMMENDATIONS

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Executive Summary

The West Virginia Department of Homeland Security (hereinafter referred to as “DHS,” “Homeland,” or “the Department”) is a state entity with an annual operating budget exceeding 800 million dollars, comprising multiple agencies and service divisions (see Appendix A). The Department has operated under its current organizational structure since 2020, following its separation from the West Virginia National Guard and a significant departmental reorganization. In alignment with the State’s objectives to enhance operational efficiency, achieve cost savings, and improve service delivery, the Office of the Governor engaged BDO to conduct a comprehensive performance evaluation audit of DHS’s operations, processes, and systems.

This review was conducted during a period of substantial transition for several DHS agencies. Since its 2020 transition from the Department of Military Affairs and Public Safety (DMAPS), DHS continues to refine its organizational role and operational approach. Multiple agencies within DHS have initiated efforts to address critical challenges related to staffing and technology limitations. However, this report identifies additional opportunities for efficiency gains and cost reductions across DHS operations.

BDO’s assessment determined that the majority of DHS units are experiencing department-wide or statewide challenges, which are addressed in Section I of this report, “Central Services and Multi-Agency Challenges.” DHS leadership has acknowledged many of these issues and is actively pursuing operational improvements, including information system upgrades, workforce optimization, centralized service delivery, and process enhancements. In addition, specific concerns were identified within the Division of Corrections and Rehabilitation (DCR) and the Emergency Management Division (EMD), which are discussed in detail in their respective sections.

BDO has developed a series of recommendations, accompanied by estimated cost savings, for consideration by DHS. The total estimated, potential cost savings identified through this engagement is **\$39.4 million**, summarized below:

I. CENTRAL SERVICES AND MULTI-AGENCY CHALLENGES

Total Potential Savings: \$11.1 million
Opportunities exist to reduce costs and improve efficiency through centralized processes and enhanced system integration.

II. DIVISION OF CORRECTIONS AND REHABILITATION

Total Potential Savings: \$27.4 million
Operational improvements and cost savings can result from addressing workforce shortages, modernizing systems, and reducing litigation risks.

III. EMERGENCY MANAGEMENT DIVISION

Total Potential Savings: \$870,000
Improved continuity planning, clearer roles, and resilient facilities can strengthen preparedness and reduce costs.

Executive Summary (Continued)

The findings summarized on this page represent the principal operational issues identified through BDO's assessment. Each finding outlines a distinct challenge affecting departmental performance and is examined in greater detail in the pages that follow.

I. Central Services and Multi-agency Challenges

- ▶ **FINDING 1: Indirect Cost Opportunities** – Without a Negotiated Indirect Cost Rate Agreement (NICRA), the State may constrain potential cost recovery on federal grants. With a NICRA, the State could unlock significant savings by recovering eligible portions of indirect expenses from federal grants and thereby reduce the amount of costs borne by State revenue.
- ▶ **FINDING 2: Decentralized Grants Management Processes** – Centralizing grants management processes for DHS and/or the State may lead to significant cost savings and risk mitigation, especially in subrecipient monitoring.
- ▶ **FINDING 3: Procurement Delays** – Procurement exemptions are not consistently understood, the process is complex, and staff overlap may exist between agencies, shared services, and the State Purchasing Division, resulting in inefficiencies.
- ▶ **FINDING 4: Long Hiring Times** – Significant hiring delays may affect the quality of DHS staff performance and exacerbate issues related to vacancies and staffing shortages. Additionally, overlapping responsibilities among agencies, shared services, and State Division of Personnel (DOP) may create inefficiencies in the hiring process, which may extend beyond DHS.
- ▶ **FINDING 5: Court Record Integration** – Lack of system integration with the State's court system is leading to high volumes of paper processes and many employees performing manual data entry and digitization.

II. Division of Corrections and Rehabilitation

- ▶ **FINDING 6: High Litigation Costs** – Litigation involving excessive use of force claims in the Division of Corrections and Rehabilitation (DCR) costs the state \$3.5 million each year. This amount could be significantly reduced by implementing one or several proposed risk mitigation measures.
 - ▶ **FINDING 7: DCR Workforce Challenges** – DCR's challenge in hiring and retaining correctional officers, combined with systemic overcrowding in regional jails, puts its system under increased strain and contributing to other problems, including litigation costs.
 - ▶ **FINDING 8: Offender Management System Modernization** – DCR's Offender Information System (OIS) perpetuates manual data entry and paper processes. The system of record is unreliable and difficult to navigate, for both DCR and the Parole Board.
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Executive Summary (Continued)

III. Emergency Management Division

- ▶ **FINDING 9: Lack of COOP/COG Planning** – Continuity of Operations (COOP) and Continuity of Government (COG) planning is a vital disaster preparedness activity that is currently absent from West Virginia’s government, with no agency responsible or funded to perform it.
- ▶ **FINDING 10: State Resiliency Office Overlap** – Lack of clear responsibility and authority in emergency management in West Virginia may thwart the State’s disaster resiliency and incur unnecessary costs due to redundancy.
- ▶ **FINDING 11: SEOC Facility Resilience**— The Emergency Management Division’s facility selection is key to West Virginia’s disaster preparedness, as this facility’s resilience represents the continuity of West Virginia’s operations in a crisis. Both cost and resilience can be balanced when making this decision.

IV. FINDING 12: Miscellaneous Additional Focus Areas – Additional opportunities for enhancement were identified that may support DHS in improving efficiency or outcomes but were not significant or verifiable enough to merit dedicated sections or detailed cost analysis. These items are discussed beginning on page 37.

Executive Summary (Continued)

ID	Finding Description	Estimated Level of Investment Required to Correct	Estimated Time to Fix	Estimated Personnel Cost Savings/ Revenue	Estimated Other Than Personnel Cost Savings/ Revenue	TOTAL Estimated Annual Cost Savings/ Revenue
1	Indirect Cost Opportunities	Low	1 year	-	\$5,680,000	\$5,680,000
2	Decentralized Grants Management Processes	Medium	1-2 years	-	\$2,900,000	\$2,900,000
3	Procurement Delays	Low	<1 year	\$290,000	-	\$290,000
4	Long Hiring Times	Medium	1-5 years	\$940,000	-	\$940,000
5	Court Record Integration	Medium	1-3 years	\$1,300,000	-	\$1,300,000
6	High Litigation Costs	Medium	1-2 years	-	\$1,900,000	\$1,900,000
7	DCR Workforce Challenges	Medium	1-5 years	-	\$25,000,000	\$25,000,000
8	Offender Management System Modernization	High	2 years	\$500,000	-	\$500,000
9	Lack of COOP/COG Planning	Medium	6 months	-	-	-
10	State Resiliency Office Overlap	Medium	<1 year	\$300,000	-	\$300,000
11	SEOC Facility Resilience	Medium	6-12 months	-	\$570,000	\$570,000
Total				\$3,330,000	\$36,050,000	\$39,380,000

Approach

BDO conducted a performance evaluation audit of the Department of Homeland Security to identify opportunities for enhanced operational efficiency, cost savings, and improved service delivery across key functional areas. The audit employed both qualitative and quantitative methodologies to assess current processes, systems, and organizational structures within the Department and its constituent agencies.

The audit approach was organized into the following phases:

- ▶ **Objective Definition:** Audit objectives, key questions, and scope were established in collaboration with the Office of the Governor and DHS leadership.
- ▶ **Focus Area Identification:** Key areas for review were selected based on expenditure magnitude, strategic importance, and potential operational risk. These areas included technology and systems, finance and grants, core operational processes, workforce, and facilities.
- ▶ **Document Review:** Relevant documentation, including budgets, organizational charts, and prior reviews, was examined to inform the analysis.
- ▶ **Stakeholder Interviews:** Twenty-three interviews were conducted with a broad cross-section of staff, including the heads of all agencies and multiple managers, to obtain insights into operational practices and challenges.
- ▶ **Data Analysis:** Findings from interviews, financial data, and other pertinent information were analyzed to estimate the potential cost savings associated with recommended operational changes.

It is important to note that, while every effort was made to source quantitative data from the State's financial management system or official records, the audit team observed inconsistencies in the quality of DHS data. Staff frequently rely on spreadsheets and other unofficial systems for operational tracking and reporting.

While certain elements of this audit focus on specific agencies within DHS where issues were most pronounced, the underlying operational challenges and process inefficiencies identified may be present in other agencies and departments. Follow-up studies or expanded reviews may reveal additional opportunities for cost savings and operational improvements should such issues be found to be pervasive throughout the Department.

Acknowledgements

BDO would like to acknowledge Doug Buffington II, Interim Secretary of Homeland Security, and the entire team within the Department of Homeland Security for their participation and candor throughout this process. Homeland Security staff provided information and enhanced clarity regarding processes through our discussions and information requests, all toward the common goal of improving the efficiency of operations and ultimately enhancing the quality of services provided to citizens of West Virginia.

Throughout this assessment, Interim Secretary Buffington and the Department's leadership team were actively engaged and provided critical access, context, and insight that informed the analysis. Many of the improvement opportunities described in this report were discussed collaboratively during the course of the engagement, and several align with initiatives the Department has already begun to explore. The Department's cooperation and openness were essential to completing this assessment, and continued leadership engagement will be critical to advancing the improvements identified.

Findings and Considerations

I. CENTRAL SERVICES AND MULTI-AGENCY CHALLENGES

Findings and Considerations

FINDING 1: INDIRECT COST OPPORTUNITIES

BACKGROUND

Without a NICRA, the State may constrain potential cost recovery on federal grants. With a NICRA, the State could unlock significant savings by recovering eligible portions of indirect expenses from federal grants and thereby reduce the amount of costs borne by State revenue.

Indirect costs are defined as expenses that cannot be directly attributed to a single project or activity, but which provide overarching benefits to all activities conducted by DHS. In contrast, direct costs are programmatic expenditures that can be specifically identified with a particular project or program.

Typical examples of indirect costs include certain statewide central service costs, general administration, accounting and personnel services, depreciation on buildings and equipment, and the costs associated with operating and maintaining facilities. In essence, administrative or facilities-related costs that are not directly charged to a specific award may be recovered, at least in part, through the application of an indirect cost rate.

The use of an indirect cost rate is a standard mechanism by which non-Federal entities—including nonprofit organizations, government contractors, and state and local governments—recover a proportionate share of their operating costs that support federally funded activities.

$$\frac{\text{Allowable Indirect Costs}}{\text{All Direct Costs}} = \text{Indirect Cost Rate}$$

According to the Department of Administration (DOA), overseeing the overall administration of State government and State and single audits, West Virginia lacks a unified strategy or procedure for indirect cost recovery. Staff interviewed during this engagement were not aware of any negotiated indirect cost rates or indirect cost recovery processes in place within any state agency, outside of West Virginia's Institutes of Higher Education (IHEs).

Within the Department of Homeland Security, the Division of Administrative Services (DAS) currently recovers the cost of its services as direct charges to awards. Doing so is accomplished by manually estimating the effort and proportion of costs associated with each grant and assigning those costs for reimbursement as direct expenditures. Recovering administrative costs in this manner is an exceptionally manual process, requiring individual costs to be allocated to specific awards before being reported—and potentially audited—by the federal government.

Negotiated Indirect Costs Agreements (NICRAs) are the primary mechanism by which federal funding recipients recover indirect costs in a more efficient and risk-mitigating manner. However, DAS staff were unaware that indirect costs could be recovered through any means other than direct allocation to each award. According to staff with extensive institutional knowledge, it was previously determined that the effort required to calculate and submit an indirect cost rate agreement was not justified by the potential cost recovery, and this decision has not been revisited.

Findings and Considerations

FINDING 1: INDIRECT COST OPPORTUNITIES

ESTIMATED IMPACT

In Fiscal Year (FY) 2025, the DHS received \$313 million in total revenue, with about \$113 million provided by the federal government through FEMA, the U.S. Department of Homeland Security (USDHS), and the Department of Justice (DOJ). Organizations typically recover overhead costs equal to at least 10-15 percent of their federal funding. For DHS, a 10 percent indirect cost recovery rate would represent roughly \$11.3 million. However, without a detailed cost analysis and calculation of indirect rates, it is difficult to project how much DHS could recover under a NICRA, or how many expenses currently tracked as direct program costs could be included in an indirect cost pool to reduce administrative burden.

For example, in FY 2025, DAS reported \$12.4 million in federal expenditures under the Justice and Community Services (JCS) program. Within the JCS Admin object code, \$635,000 was identified as the administrative cost, which may typically be included in an indirect cost pool. However, presently, the Division recovers this amount through manual allocation. Under the General funding code, \$5.2 million was attributed to the DMAPS Admin code, which could also represent costs commonly pooled for indirect recovery. Since DAS serves all DHS programs, this amount would need to be allocated equitably across all DHS activities. As an estimate, federal funding makes up 13 percent of DHS's expenses; applying this percentage to the \$5.2 million in administrative costs yields about \$680,000 in potential additional indirect cost recovery.

This estimation method can be used in other agencies to recover administrative costs, such as facilities, technology, communications, and administrative or operational personnel not otherwise covered by federal funds. BDO was unable to estimate administrative costs for the State Police. However, for the EMD—the only other DHS agency receiving federal funding—an estimated \$5 million in additional indirect cost recovery could be realized, applying EMD's 83 percent federal funding rate to its \$6 million in overhead, as shown in the table below.

AGENCY	EST. % FEDERAL FUNDING	GENERAL SPENDING (OVERHEAD PROXY)	POTENTIAL ADDITIONAL INDIRECT COST RECOVERY
DAS	25%	\$5.2 million	\$680K
EMD	83%	about \$6 million	\$5 million
State Police	5%	Unable to determine	Unable to determine
TOTAL	13%	\$11 million	\$5.7 million

While these are preliminary estimates, they highlight the potential benefits of adopting an indirect cost rate structure to recover expenses currently funded by the State. The State could also consider including the costs of shared services, such as the Office of Technology (OT), DOP, and State Purchasing Division—in its indirect cost rate to further maximize federal cost recovery.

Findings and Considerations

FINDING 1: INDIRECT COST OPPORTUNITIES

POTENTIAL CONSIDERATIONS

CATEGORY	CONSIDERATION
Agency Indirect Cost Rate	Evaluate the feasibility of calculating and submitting a NICRA to the appropriate federal, cognizant agency. This process would allow DHS to establish agency-specific rates that capture administrative expenses incurred at the agency, department, and State DOA levels. Given the complexity and technical requirements of preparing a NICRA, it is advisable to engage an external facilitator or consultant, at least for DHS's initial submission, to ensure accuracy and compliance with federal guidelines.
State-Wide Indirect Cost Allocations	Consider implementing a formal methodology for allocating centralized, statewide administrative expenses, such as those associated with the Office of Technology, Division of Personnel, and State Purchasing Division, across all supported agencies. Understanding state-level cost allocation would enable more comprehensive and equitable cost recovery from federal funding sources and support the long-term sustainability of shared services.

IMPLEMENTATION

To move forward, DHS and the State should undertake a comprehensive analysis of all costs currently charged to federal awards, including a review of the methods of direct and indirect cost allocation. This assessment should identify costs that may be more appropriately included in an indirect cost pool and evaluate the potential financial and operational benefits of negotiating an indirect cost rate. Establishing a NICRA is a standard practice among federal funding recipients and, if implemented, is likely to result in significant additional cost recovery, improved compliance, and reduced administrative burden. The process should include:

- ▶ **Cost Mapping:** Mapping all administrative and overhead costs, both direct and indirect, across DHS and related agencies.
- ▶ **Stakeholder Engagement:** Engaging stakeholders from finance, grants management, and program operations to ensure comprehensive data collection and buy-in.
- ▶ **Policy Development:** Developing clear policies and procedures for ongoing indirect cost rate calculation, allocation, and monitoring.
- ▶ **Staff Training:** Providing training and resources to relevant staff to support implementation and compliance.

UPFRONT COST TO CORRECT	ESTIMATED TIME TO FIX	PERSONNEL COST SAVINGS/REVENUE	OTHER THAN PERSONNEL COST SAVINGS/REVENUE	ESTIMATED ANNUAL COST SAVINGS/REVENUE
LOW	1 YEAR	-	\$5,680,000	\$5,680,000

Findings and Considerations

FINDING 2: DECENTRALIZED GRANTS MANAGEMENT PROCESSES

BACKGROUND

Centralizing grants management processes for DHS and/or the State may lead to significant cost savings and risk mitigation, especially in subrecipient monitoring.

DAS manages grants for JCS, the Division of Corrections and Rehabilitation (DCR), and some State Police programs, and has had no audit findings for its grants management and subrecipient monitoring, unlike other grants management programs in the State. Other DHS agencies, such as the EMD and additional State Police programs, manage their own grants, partly due to specialized funding types. There are no standard policies or best practices for grants management or subrecipient monitoring, and no grants management software exists at the DAS, DHS, or State level, creating significant gaps and limited oversight.

These gaps can lead to process inefficiencies and more manual effort and may also increase the risk of waste or misuse of funds without the oversight and standardization that uniform policies and procedures provide.

ESTIMATED IMPACT

An initial investment may be needed to ensure appropriate staffing and implement an effective and compliant grants management system. However, as processes mature and redundancies decrease, DHS may be able to reduce staffing while improving oversight and use of grant funds. A 2024 U.S. Government Accountability Office (GAO) report found that, at the federal level, 3 to 7 percent of payments each year are improper.¹ So, applying the low end (3 percent) to DHS’s estimated \$96 million in subrecipient payments, improved management and oversight could affect \$2.9 million in payments.

GAO REPORT FINDINGS

“The federal government loses between \$233 billion and \$521 billion annually to fraud... Additionally, federal improper payment estimates have totaled about \$2.8 trillion since FY 2003—and the actual amount may be significantly higher [due to the] small number of programs that report these numbers.”¹

POTENTIAL CONSIDERATIONS

CATEGORY	CONSIDERATION
Oversight Consolidation	Consider centralizing grants management for the Department under DAS. Create a structure that offers consistent administrative support to program leads and ensures they have the technical expertise to meet program objectives.
Procedure Standardization	Develop standardized policies and procedures for grants management. Consider implementing a Statewide grants management software system to improve scalability and auditability.

Findings and Considerations

FINDING 2: DECENTRALIZED GRANTS MANAGEMENT PROCESSES

IMPLEMENTATION

Review grants management practices across DHS and establish standard procedures and policies, including enforcement that considers agency needs and uses existing staff expertise. While integrating policies to support the new structure, ensure that agency grants managers and centralized services communicate regularly to maintain compliance and service quality.

UPFRONT COST TO CORRECT	ESTIMATED TIME TO FIX	PERSONNEL COST SAVINGS/REVENUE	OTHER THAN PERSONNEL COST SAVINGS/REVENUE	ESTIMATED ANNUAL COST SAVINGS/REVENUE
MEDIUM	1-2 years	-	\$2,900,000	\$2,900,000

Findings and Considerations

FINDING 3: PROCUREMENT DELAYS

BACKGROUND

Procurement exemptions are not consistently understood, the process is complex, and staff overlap may exist between agencies, shared services (DAS), and the State Purchasing Division, resulting in inefficiencies.

DCR, State Police, and the Protective Services Division are exempt from State Purchasing Division oversight, managing their own procurement with procedural and compliance oversight from DAS. This exemption supports these agencies' critical public safety roles. However, other agencies must use the State Purchasing Division for purchases over \$50,000, which has created operational challenges for non-exempt DHS agencies, such as the Fusion Center.

DHS staff have reported inefficiencies and duplication in the procurement process and delays in the contract review process. The purchasing process is seen as complex for both exempt and non-exempt agencies and would benefit from process mapping and simplification, while maintaining the State's high procurement standards.

ESTIMATED IMPACT

BDO estimates that procurement process mapping, to identify redundancies and optimize workforce resources, could yield at least 10 percent in cost savings. Within DHS, 45 employees perform procurement functions for an estimated total cost of \$2.9 million annually. Assuming a 10 percent efficiency gain, leading to a proportional staffing reduction, DHS could save about \$290,000 per year. Broader procurement improvements may be possible at the State level.

POTENTIAL CONSIDERATIONS

CATEGORY	CONSIDERATION
Clarify Procurement Exemption	Clarify and streamline procurement rules for exempt DHS agencies. Develop expedited workflows for both exempt and non-exempt procurements. Clearly document rules and processes and provide staff training.
Examine Additional Exemptions	Assess the benefits of exempting the Fusion Center from State Purchasing Division oversight to speed up grant-funded procurements.
Consider Re-Centralization Initiative	After a detailed process analysis, determine if recentralizing purchasing for exempt agencies would improve operational or cost efficiency for the State.

Findings and Considerations

FINDING 3: PROCUREMENT DELAYS

IMPLEMENTATION

DHS should review its procurement structure and develop documentation to clarify roles and procedures, specifying which actions are exempt for which agencies and which agencies are required to follow the full State procurement process. This effort should also identify the responsibilities of the 45 employees involved in procurement and highlight opportunities for staffing reductions.

UPFRONT COST TO CORRECT	ESTIMATED TIME TO FIX	PERSONNEL COST SAVINGS/REVENUE	OTHER THAN PERSONNEL COST SAVINGS/REVENUE	ESTIMATED ANNUAL COST SAVINGS/REVENUE
LOW	<1 YEAR	\$290K	-	\$290K

Findings and Considerations

FINDING 4: LONG HIRING TIMES

BACKGROUND

Significant hiring delays may affect the quality of DHS staff performance and exacerbate issues related to vacancies and staffing shortages. Additionally, overlapping responsibilities among agencies, shared services (DAS), and State Division of Personnel may create inefficiencies in the hiring process, which may extend beyond DHS.

Certain positions within DHS, including senior leadership and staff within Emergency Management, State Police, and Protective Services, are exempt from standard state hiring procedures. These agencies are authorized to establish their own hiring policies and are not required to post job openings through the DOP, provided that they adhere to established DOP salary bands. Despite these exemptions, many DHS agencies continue to experience protracted hiring processes, which impedes their ability to attract and retain qualified candidates.

CASE STUDY: STATE POLICE HIRING

Although the State Police is exempt from hiring through DOP, the process remains slow. DAS must approve every position before posting, including replacements of existing funded positions, budgeted new positions, and grant-funded roles. The State Police reports that this approval can take one to two weeks. After a candidate is selected, DAS approval of a hiring offer may take an additional two to three months. The delay is, in part, due to background checks and additional approvals for salaries, those exceeding \$75,000 or the minimum for the position's approved range. These delays make it difficult to attract and retain qualified candidates, resulting in extended vacancies and smaller applicant pools.

The State Police also experiences challenges in obtaining approval to create and fill civilian roles necessary for its operations. Civilian roles are often filled by reallocating existing trooper positions. Although it is unclear whether these reallocations diminish the State Police's service quality, as some civilian positions can substantially facilitate operations, there appears to be a scarcity mentality regarding headcount within the State Police. Even with dedicated grant funding, the agency cannot hire new IT staff without reallocating existing positions, which restricts its ability to improve operations, even though operational improvements often result in long term cost savings.

Short-staffing among State Police officers also limits training opportunities, including continuing education and specialized system management. For example, only two officers are trained to administer the Computer Automated Dispatch (CAD) system, creating risks due to low redundancy in this core system, which local police and sheriff offices also utilize throughout the State.

Findings and Considerations

FINDING 4: LONG HIRING TIMES

ESTIMATED IMPACT

Across the Department, there are 78 full-time equivalent (FTE) employees in human resources (HR) roles, with a total estimated cost of \$4.7 million. Note, this amount is not likely to cover the full extent of HR effort within DHS. Industry research indicates that organizations can reduce HR-related costs by approximately 20 percent through process redesign and workflow standardization.² Applying this benchmark to DHS’s \$4.7 million HR spend suggests annual savings of approximately \$940,000. Streamlining the hiring process and reducing the complexity of approval layers, could reveal that \$940,000 is an underestimated savings valuation, particularly if such improvements are scaled to the entire State, beyond DHS.

POTENTIAL CONSIDERATIONS

CATEGORY	CONSIDERATION
Reexamine HR Policies	Clarify and streamline HR rules for DHS’s exempt agencies. Consider developing expedited workflows for DHS hiring. Consider offering employment to candidates conditional on completion of a successful background check rather than waiting for check completion to make offers.
Designate Review Staff	Appoint designated reviewer(s) in DAS/DOP to expedite all State Police hiring requests, narrowing approval time to 3 days at each stage. The same principle could be applied to other agencies.
Perform DOP Function at DHS Level	Empower DAS and/or the DHS Commissioner’s Office to approve DHS hiring when within approved budget amounts (i.e., funded positions paying within the approved salary range for the position type).
DCR Exemption	Include DCR in DOP exemption to further streamline hiring for jails and prisons.

IMPLEMENTATION

DHS should undertake a detailed process mapping of exempt and non-exempt hiring processes to identify areas where automation and artificial intelligence (AI) can expedite hiring and reduce costs. Additionally, this process mapping could help in identifying whether a particular hiring method is more efficient. DHS could, then, consider applying this approach to all agencies, to further simplify and standardize hiring procedures.

Consider other improvements and streamlining to increase the speed of new hires without compromising on staff quality. Consider scaling any findings Statewide with the support of DOP.

UPFRONT COST TO CORRECT	ESTIMATED TIME TO FIX	PERSONNEL COST SAVINGS/REVENUE	OTHER THAN PERSONNEL COST SAVINGS/REVENUE	ESTIMATED ANNUAL COST SAVINGS/REVENUE
MEDIUM	1-5 YEARS	\$940,000	-	\$940,000

Findings and Considerations

FINDING 5: COURT RECORD INTEGRATION

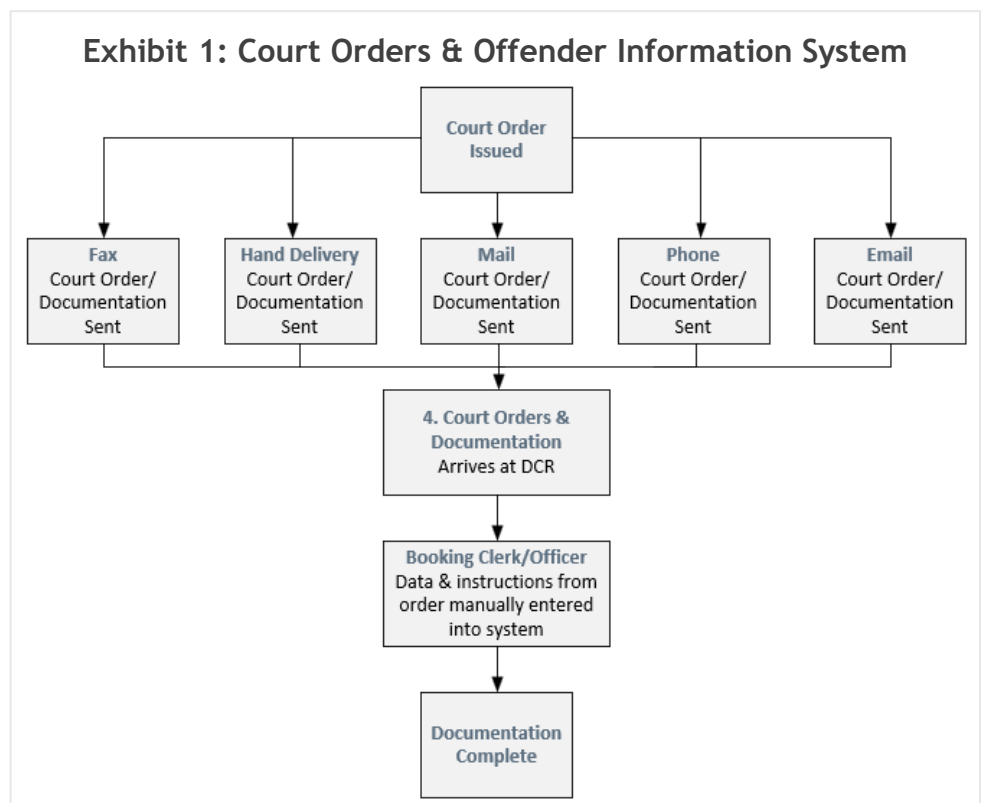
BACKGROUND

Lack of system integration with the State's court system is leading to high volumes of paper processes and many employees performing manual data entry and digitization responsibilities.

West Virginia Courts do not have a consistent method or process for sharing court orders, Case Action Records (CAR), or other records with the State Police and DCR. Staff at DCR reported receiving information via fax, mail, phone, email, and in-person delivery, as depicted in **Exhibit 1**. State Police staff indicated that they exclusively received paper copies of CARs, but they did not specify a delivery method. In both agencies, staff manually enter information from court documents into their agency's information systems.

As these practices indicate, West Virginia's judicial system is not fully digitized, nor is it integrated with the State's executive branch systems. Without this integration, courts deliver information through various other channels. The magistrate courts are in the process of transitioning to digital recordkeeping, a change expected to take several years. However, the circuit courts have not yet established a timeline for moving to digital systems, resulting in continued reliance on manual processes. Although a fully digital court system could improve digital information sharing, the impact to DHS manual data entry activities will likely be limited without a coordinated effort to integrate DHS and judicial systems.

The State Police's IT department has federal grant funding to hire two developers for integrating court systems with their document management system; however, the State Police is not allowed to create new positions and must reallocate existing staff instead. Meanwhile, DCR is reviewing proposals for a new Offender Management System (OMS), but the procurement team has not yet discussed integration with the courts.



Findings and Considerations

FINDING 5 COURT RECORD INTEGRATION

ESTIMATED IMPACT

Robotic Process Automation (RPA) and Optical Character Recognition (OCR) can greatly improve data entry efficiency. For example, a mid-sized manufacturing firm reduced manual data entry by 80 percent after implementing a mix of RPA and OCR in its business practices.³ While that scenario would result in significant cost savings to the State Police and DCR, a fully digital court system integrated with State Police and DCR systems would eliminate the need for manual data entry completely.

The State Police reported that ten FTEs, or 11 percent of its office and administrative staff, are responsible for data entry of court documents. DCR does not have such an estimate for this task, but it does employ 166 FTEs as office and administrative assistants. If a similar share of DCR’s administrative staff perform manual data entry, approximately 17 FTEs would perform this work.

However, this estimate is likely a conservative estimate, as DCR handles a wider variety of records than the State Police and receives information in less uniform formats. On average, salary and benefits for an assistant, across both agencies, costs the State \$49,000. If these FTEs became 80 percent more efficient or, the need for manual data entry was eliminated entirely, the State could experience considerable cost savings.

	BASELINE	RPA/OCR	SYSTEMS INTEGRATION
Court Record Data Entry FTEs	27	5	0
Average Cost per FTE	\$47K	\$47K	0
TOTAL COST	\$1.3M	\$245K	0
SAVINGS	-	\$1M	\$1.3M

POTENTIAL CONSIDERATIONS

CATEGORY	CONSIDERATION
System Implementation	Consider implementing RPA, OCR, or AI systems to improve data entry speed and accuracy.
System Integration	Continue to encourage digitization in the judiciary. Allow the State Police’s IT department to fill grant-funded roles to facilitate integration. Consider entering a cost sharing agreement with judiciary to speed up the process of digitization and integration.

IMPLEMENTATION

Conduct in-depth process mappings with the State Police and DCR to better understand which staff enter court records into their agency’s systems and ways the process could be automated.

UPFRONT COST TO CORRECT	ESTIMATED TIME TO FIX	PERSONNEL COST SAVINGS/REVENUE	OTHER THAN PERSONNEL COST SAVINGS/REVENUE	ESTIMATED ANNUAL COST SAVINGS/REVENUE
MEDIUM	1-3 YEARS	\$1.3M	-	\$1.3M

Findings and Considerations

II. DIVISION OF CORRECTIONS AND REHABILITATION

Findings and Considerations

FINDING 6: HIGH LITIGATION COSTS

BACKGROUND

Litigation involving excessive use of force claims in DCR costs the state \$3.5 million each year. This amount could be significantly reduced by implementing one or several proposed risk mitigation measures.

DCR is the target of frequent litigation regarding officers' use of force in prisons. According to BDO's assessment of data, provided by the Board of Risk and Insurance Management (BRIM), an average of 86 excessive force claims per year result in an average cost to the State of \$39,922 per case. This cost totals to \$3.5 million annually, or \$17.3 million over the last five years. Excessive force claims appear to make up 84 percent of the costs incurred by BRIM stemming from DCR. The average cost to BRIM includes approximately 33 percent BRIM investigation and legal fees on top of the actual settlement cost but does not include any costs associated with DCR's response to settlements, such as staff time spent in support of investigations.

According to DCR's leadership, overcrowding and short-staffing in prisons exacerbate the lawsuit problem by making conflicts more frequent. A variety of solutions could address these issues; however, each also has its drawbacks.

One solution which DCR proposed is using body-worn cameras (BWCs) to provide impartial video evidence and, thereby, reduce conflict. However, procurement and implementation of a BWC system at the scale needed for each corrections officer is expensive. Additionally, footage could show improper officer conduct, which could increase liability and settlement amounts rather than mitigating DCR's risk. This option is explored in greater depth on the next page.

Exhibit 2: Estimated DCR Excessive Use of Force Litigation Cost Breakdown

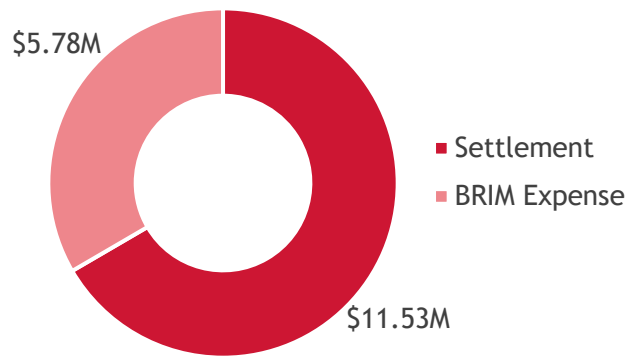
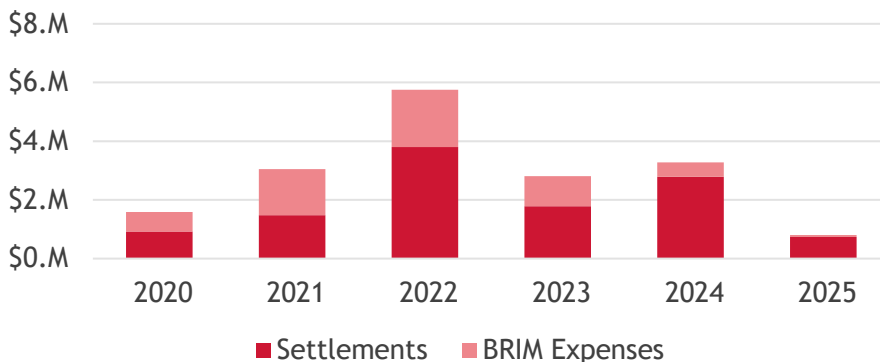


Exhibit 3: Estimated DCR Excessive Use of Force Litigation Cost Breakdown by Year



DCR is no longer accredited by the American Correctional Association (ACA). ACA accreditation ensures agencies follow industry standards and best practices, which can reduce litigation and improve how judges view the organization. Implementing these standards and seeking accreditation may lower legal risks.

Findings and Considerations

FINDING 6: HIGH LITIGATION COSTS

ESTIMATED IMPACT

SCENARIO: BODY-WORN CAMERAS

According to a study conducted at California State University, San Bernardino, use of BWCs resulted in a 40 percent decrease in police settlements and 40 percent decrease in cost of each settlement, or a 64 percent total reduction.⁴ In DCR's case, the full cost of litigation is \$3.5 million per year, combining settlement expenses and associated BRIM costs, namely legal and investigative fees.

Applying the findings of the CSU San Bernardino study to DCR's current litigation numbers, BWCs could reduce settlement costs by 64 percent to approximately \$830K per year. The cost of BRIM investigations could decrease by 40 percent as the caseload decreases, resulting in a total BRIM cost of around \$690K per year. In this scenario, the total State savings due to use of BWCs would be approximately \$1.9 million.

Scenario	Annual Settlement Cost	Annual BRIM Cost	Annual Total
Current State	\$2.3 million	\$1.2 million	\$3.5 million
With BWCs	\$0.8 million	\$0.7 million	\$1.5 million
Difference	\$1.5 million	\$0.5 million	\$1.9 million

According to DCR staff, the estimated cost to implement body cameras is \$1.8 million upfront and a \$1 million annual subscription for software, across all facilities. Note, these numbers do not account for additional staffing needed to manage the system. Applying the San Bernardino study to DCR's case and depreciating the upfront cost of BWCs over five years, DCR could project to save approximately \$500K per year. Once the initial investment is covered, the annual net savings to the State could be as much as \$900K. These numbers are laid out in the table below (in millions):

Scenario	Annual Litigation Cost	BWC Cost (Depreciated)	BWC Cost (Ongoing)	Total Annual Cost (First 5 Years)	Total Annual Cost (After 5 Years)
Current State	\$3.5 million	-	-	\$3.5 million	\$3.5 million
With BWCs	\$1.5 million	\$0.4 million	\$1 million	\$2.9 million	\$2.5 million
Difference	\$1.9 million	-\$0.4 million	-\$1 million	\$0.5 million	\$0.9 million

Finally, 33 percent of the cost associated with DCR litigation comes from BRIM investigation and legal fees; reducing the number of settlements could result in less demand for workers in BRIM, saving the State the cost of those employees. Additionally, a guarantee of BWC video evidence could shorten investigation times. If the cost associated with the estimated annual savings of \$690K above is primarily due to personnel costs, reducing DCR litigation could allow the State to eliminate up to 6 FTE positions.

Findings and Considerations

FINDING 6: HIGH LITIGATION COSTS

POTENTIAL CONSIDERATIONS

CATEGORY	CONSIDERATION
Body-Worn Cameras (BWCs)	Implement a BWC system in prisons to document altercations which occur and deter both offenders and officers from violent behavior. To save on cost, consider leveraging the State Police's existing BWC system or capitalizing on existing relationship with Axon (DCR taser provider).
Resolve Underlying Issues	Resolve systemic DCR challenges with understaffing and overcrowding to decrease the offender to officer ratio, facilitating conflict de-escalation.
Accreditation	Initiate the process of ACA reaccreditation as a risk mitigator for litigation.

Other solutions to reduce litigation expense could include:

- ▶ Conducting more rigorous psychological testing for corrections officers, before and after hiring
- ▶ Prohibiting officers from being alone with offenders (and enforcing a zero-tolerance policy for the same)
- ▶ Employing more stationary cameras (as opposed to body-worn)
- ▶ Requiring annual training around use of force
- ▶ Prohibiting the use of pepper spray on offenders
- ▶ Employing more extensive due diligence during hiring

IMPLEMENTATION

The US Department of Justice routinely offers grants for BWC subsidization in law enforcement and correctional agencies.⁵ DCR should continue to monitor opportunities for external funding that may support or offset the cost of implementing and maintaining a BWC system. Based on examples of grants that have been available in the past, West Virginia DCR could find opportunities to completely cover the project cost of BWCs, realizing a total savings of \$1.9 million per year.

Note that each of the additional potential solutions would require additional investments in training and staff effort. These measures could also increase hiring challenges, with higher expectations for corrections officer conduct, potentially complicating DCR's ongoing efforts to address its severe staffing shortage.

UPFRONT COST TO CORRECT	ESTIMATED TIME TO FIX	PERSONNEL COST SAVINGS/REVENUE	OTHER THAN PERSONNEL COST SAVINGS/REVENUE	ESTIMATED ANNUAL COST SAVINGS/REVENUE
MEDIUM	1-2 YEARS	-	\$1,900,000 (net)	\$1,900,000 (net)

Findings and Considerations

FINDING 7: DCR WORKFORCE CHALLENGES

BACKGROUND

DCR’s challenge in hiring and retaining correctional officers, combined with systemic overcrowding in regional jails, puts its system under increased strain and contributes to other problems, including litigation costs.

DCR leadership attributes some agency problems to chronic staffing issues combined with significant overcrowding problems, particularly in regional jails. Lowering the offender to correctional officer ratio would ease the strain on the system and could cascade monetary benefits across the board, as stress on facilities, staff, and systems reduces.

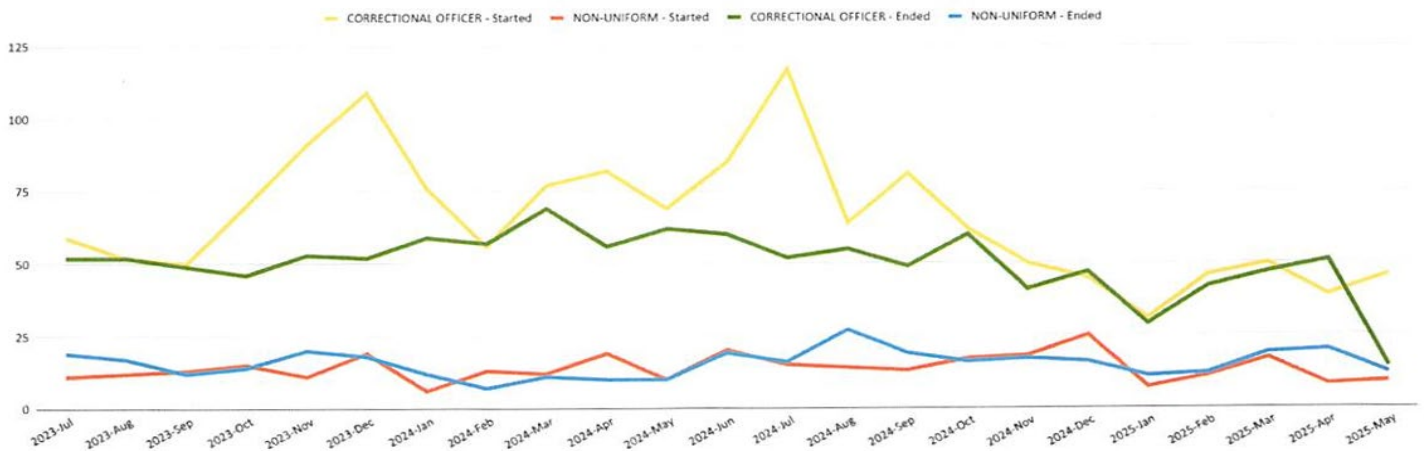
Understaffing can be understood as the intersection of high rates of turnover, low hiring/replacement rates, and inconsistent performance of correctional officers. DCR leadership have indicated that officer performance is inconsistent, partly due to manual, paper-based staff scheduling, which is prone to errors. Low pay and high job stress also contribute to frequent absences, “no-shows”, and reduced retention.

Staff shortages and lengthy hiring processes make it difficult to replace absent employees, so consequences for poor performance are often limited, allowing inconsistency to persist. Staffing issues culminated in 2022 when a state of emergency was declared, and the National Guard was used to staff West Virginia’s regional jails.

DCR EFFORTS TO IMPROVE STAFFING

Since 2023, DCR has implemented a concerted effort to expedite hiring and retain current staff to address understaffing. As of May 2025, the vacancy rate for corrections officers had been reduced to 8.14 percent. These efforts are captured in the following visual from DCR’s May 2025 audit response:

Exhibit 4: DCR Workforce 2023-2025



Findings and Considerations

FINDING 7: DCR WORKFORCE CHALLENGES

BACKGROUND CONTINUED

While BDO did not receive the underlying data for **Exhibit 4** on the previous page, the replacement rate for corrections officers appears to, generally, have exceeded the attrition rate for the last two years. This trend indicates that DCR has improved its staffing, but there may be further opportunities for improvement, especially in retaining existing staff. New hires require on-the-job training and additional oversight during their first 3-6 months, not to mention academy costs for corrections officers which cost DCR about \$2 million in FY2025.

ESTIMATED IMPACT

SCENARIO 1: DECREASE OFFICER TURNOVER

DCR and DHS leadership believe that short-staffing is a primary root cause of the litigation DCR consistently faces (\$17.3 million in the past 5 years). BDO would contend that the ratio of offenders to officers may be a more descriptive driver of situations leading to litigation. Last year, DCR employed 2,185 corrections officers for a total estimated cost of \$149 million. Based on **Exhibit 4** on the previous page, it is reasonable to estimate that 50 of these officers are new at a given time.

Workplace advisory firm Gallup estimates that, on the low end, it costs 50 percent of an employee’s salary to replace them after turnover, inclusive of hiring and loss of efficiency in training the new staff.⁶ For 50 corrections officers per month at an average salary of \$45,400, the estimated cost of turnover is \$14 million annually, or around 10 percent of DCR’s total corrections officer expenditure.

Increasing retention by half would similarly halve turnover cost to \$7 million per year. That \$7 million could be considered savings, be utilized to pay bonuses, cover the cost of raises, or be invested further in retention of existing corrections officers.

SCENARIO 2: REDUCE CASH BAIL AMOUNTS

About 55 percent of people in WV jails at any given moment are in jail for pre-trial detention. According to one Rochester Institute of Technology Center for Public Safety Initiatives study, states who implemented bail reform saw a 25 percent reduction in pre-trial detention.⁷

Based on a loose estimate, West Virginia’s jail costs in FY25 could be as much as \$134 million. If 55 percent of those costs are pre-trial detentions, and bail reform reduces the number of detainees by 25 percent, West Virginia could save approximately \$18 million per year (13.75 percent of \$134 million). Additionally, reducing overcrowding, decreasing the offender to officer ratio, and alleviating strain on aging jail infrastructure would likely see greater long-term benefits to DCR.

Scenario	Current Cost	Savings
Decrease Officer Turnover	\$14 million	\$7 million
Reduce Cash Bail Amounts	\$134 million	\$18 million
TOTAL		\$25 million

Findings and Considerations

FINDING 7: DCR WORKFORCE CHALLENGES

ESTIMATED IMPACT CONTINUED

While DCR would also lose the county per diem revenue paid for any detainees whose bail is reduced, it is well-established that the current per diem rate does not fully cover the cost of detainees, meaning each detainee currently results in a loss to DCR and the State. At times, counties are unable to pay per diems at all, and the State absorbs those costs. Additionally, per diems paid by the counties represent an opportunity cost for those counties in terms of economic investment and societal benefit, which might otherwise have positive effects on West Virginia's economy or assist in crime prevention and community development.

POTENTIAL CONSIDERATIONS

CATEGORY	CONSIDERATION
Increase Correctional Officer Compensation	Consider raising pay or increasing benefits to fill open positions and retain current staff, resulting in reduced vacancy and turnover rates.
Decrease Bail Amounts	Consider lowering bail amounts to reduce regional jail populations.
Overhaul Officer Scheduling and Management	Utilize better software systems for scheduling and absence management to hold officers accountable.

IMPLEMENTATION

DCR might consider undergoing a workforce assessment to better identify areas to improve retention and performance. This process would use officer interviews, on-site observation, and discussions with DCR leadership and operations staff to determine the most impactful retention drivers for West Virginia's correctional officers. A workforce assessment might also provide opportunities to substantiate and/or mitigate perceptions of correctional officer unreliability for a healthier Division of Corrections and Rehabilitation.

Though crime and criminality are nuanced issues to navigate in any state, decreasing jail populations could help to fulfill administrative goals of decreasing the size of government and making cost-conscious decisions to the benefit of West Virginians.

UPFRONT COST TO CORRECT	ESTIMATED TIME TO FIX	PERSONNEL COST SAVINGS/REVENUE	OTHER THAN PERSONNEL COST SAVINGS/REVENUE	ESTIMATED ANNUAL COST SAVINGS/REVENUE
MEDIUM	1-5 YEARS	-	\$25,000,000	\$25,000,000

Findings and Considerations

FINDING 8: OFFENDER MANAGEMENT SYSTEM MODERNIZATION

BACKGROUND

DCR's Offender Information System perpetuates manual data entry and paper processes. The system of record is unreliable and difficult to navigate, for both DCR and the Parole Board.

CURRENT OIS SYSTEM SHORTFALLS

A recurring theme identified in BDO's consultations with all DHS agencies is the challenge of navigating and utilizing the DCR's Offender Information System. DCR issued a Request for Proposal (RFP) for a new Offender Management System, in which the department describes the current Microsoft Dynamics CRM-based OIS: The system is "not fully compliant with the web application standards set by the World Wide Web Consortium (W3C) and not certified to operate on the currently supported operating systems and software." OIS support will be discontinued in 2029, establishing a deadline for DCR to implement a replacement system.

OIS is primarily utilized by DCR, but it is also integral to the operations of the West Virginia Parole Board and is accessed by other agencies, including the Department of Health and Department of Human Services' Bureau of Medical Services. OIS requires manual entry for all data fields and lacks effective reporting functionality. Parole Board hearings require each board member to spend several hours navigating OIS and compiling the information required to validate offender parole eligibility. In a modernized system, a single report could be generated to provide the necessary information for determining parole eligibility and briefing board members on case specifics.

DCR employs OIS across all its facilities, including regional jails, state prisons, and juvenile detention centers. Staff across these locations identified intake at regional jails as the initial and most significant point of delay associated with OIS, as this is when offender information is first entered into the system. OIS is also used to record communications with the court system, including supreme, circuit, and magistrate courts. BDO has developed process flow charts for these activities, informed by employee interviews, with particular attention to paper-based processes, manual data entry, and lack of standardized policies and procedures.

Exhibit 5 on the next page outlines the process for booking an offender into a regional jail, with emphasis on the role of OIS. The booking officer assists the offender in completing intake forms and conducts fingerprinting and mugshot procedures. The following inefficiencies have been identified:

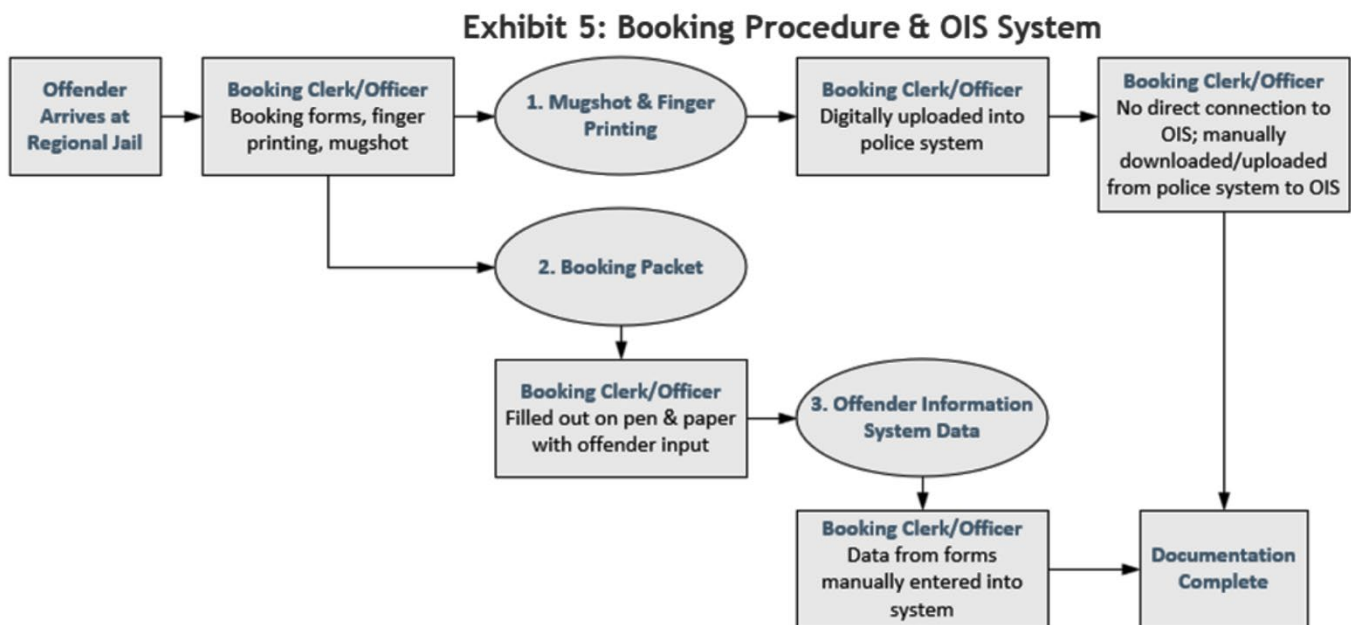
1. The system used to capture mugshots and fingerprints is not integrated with OIS, requiring the booking officer to manually download and upload files into OIS.
2. The booking packet is completed by hand on paper, signed by the offender, and scanned into OIS. The system does not support fillable PDF forms or electronic signatures.
3. Information contained in the booking packet must be manually entered into OIS, as the system does not automatically extract data from scanned documents. This results in duplicative work for the booking officer.

Findings and Considerations

FINDING 8: OFFENDER MANAGEMENT SYSTEM MODERNIZATION

BACKGROUND CONTINUED

Each of the manual steps in Exhibit 5 introduces the potential for user error and necessitates repeated handling of the same information. The intake process is heavily dependent on paper documentation and does not scale efficiently when processing larger groups of offenders.



OIS PROCUREMENT

DCR is actively engaged in the procurement of a new OIS. The forthcoming system will be required to adhere to all applicable standards and internet protocols, provide support for approximately 5,500 users, maintain continuous operational availability, and include provisions for disaster recovery and backup, among other specified requirements. Additionally, the OIS must interface with a data repository to enable reporting, dashboard functionality, and data retention. The language of the RFP indicates that both DAS and DCR anticipate leveraging internal expertise for ongoing system maintenance and daily operations, in addition to the comprehensive requirements established for the selected vendor.

Findings and Considerations

FINDING 8: OFFENDER MANAGEMENT SYSTEM MODERNIZATION

ESTIMATED IMPACT

According to DCR, between five and seven booking officers are on duty at any given time statewide. Each facility requires a booking officer to be available on a 24/7 basis to enter new detainee information into the system, complete required paperwork, and conduct physical processing activities such as showers, delousing, and issuing clothing. If 50 percent of booking officers' time is currently allocated to duplicate data entry and the implementation of the new OMS reduces this time by half, DCR could recover or repurpose approximately 25 percent of the FTE cost associated with these positions.

The average annual cost per corrections officer, including salary and benefits, is \$68,900. For seven positions operating continuously (8,760 hours per year), DCR requires 29.5 officers, resulting in an estimated annual personnel cost of \$2 million. A 25 percent reduction in time spent on duplicate booking activities would yield an estimated savings of \$500,000 per year, which could offset the cost of the new OMS. Similar efficiencies may be achievable in other DCR and Parole Board functions, including the potential that better reporting for Parole Board operations would result in a higher rate of parole hearings, which may mitigate challenges of overpopulation. Further analysis would be necessary to identify and quantify additional cost savings.

UPFRONT COST TO CORRECT	ESTIMATED TIME TO FIX	PERSONNEL COST SAVINGS/REVENUE	OTHER THAN PERSONNEL COST SAVINGS/REVENUE	ESTIMATED ANNUAL COST SAVINGS/REVENUE
HIGH	2 YEARS	\$500K+	-	\$500K+

Findings and Considerations

III. EMERGENCY MANAGEMENT DIVISION

Findings and Considerations

FINDING 9: LACK OF COOP/COG PLANNING

BACKGROUND

COOP/COG planning is a vital disaster preparedness activity that is currently absent from West Virginia’s government, with no agency responsible or funded to perform it.

Currently, there is no designated state agency responsible for Continuity of Operations and Continuity of Government planning in West Virginia. In other states, these disaster preparedness functions often fall under Emergency Management, encompassing all related preparedness exercises and training activities. The DHS’s EMD presently manages all Stafford Act FEMA reimbursements, including disaster recovery and ongoing disaster oversight. However, EMD does not possess the funding or authority to oversee comprehensive disaster preparedness, including COOP/GOG planning.

COOP planning is conducted within individual executive departments or organizations to ensure that essential functions, services, and capabilities—referred to as Primary Mission Essential Functions (PMEFs)—are maintained during a variety of emergencies and disruptions to normal operations. In contrast, COG planning involves coordination among the executive, legislative, and judicial branches to ensure that governance and essential functions can be sustained in all circumstances. COOP and COG structures are identified as National Essential Functions (NEFs) under FEMA’s purview. Similar frameworks are applied at the state level to maintain government in crisis.

The Governor’s Office has indicated that efforts are underway to update existing COOP/COG plans. However, there remains no designated authority to oversee disaster planning within the State.

ESTIMATED IMPACT

The absence of centralized COOP/COG planning is a governance issue that may remain unnoticed until a disaster occurs, but its value to constituents is immeasurable when plans are activated.

POTENTIAL CONSIDERATIONS

CATEGORY	CONSIDERATION
Establish Disaster Preparedness Authority	Assign COOP/COG responsibility to the EMD, and implement disaster training, exercises, and normal/emergency scenario reporting systems to ensure continuity of government and operations in West Virginia.
Hire Experts to Inform Initial Planning	Engage external business continuity planners and experienced FEMA continuity practitioners to support the development of COOP/COG plans that fully address the State’s requirements.

UPFRONT COST TO CORRECT	ESTIMATED TIME TO FIX	PERSONNEL COST SAVINGS/REVENUE	OTHER THAN PERSONNEL COST SAVINGS/REVENUE	ESTIMATED ANNUAL COST SAVINGS/REVENUE
MEDIUM	6 MONTHS	-	-	-

Findings and Considerations

FINDING 10: STATE RESILIENCY OFFICE OVERLAP

BACKGROUND

Lack of clear responsibility and authority in emergency management in West Virginia may thwart the State’s disaster resiliency and incur unnecessary costs due to redundancy.

The State Resiliency Office (SRO) of West Virginia was established in 2021 as a cabinet-level agency responsible for emergency and disaster management. The mission of the SRO is outlined in the accompanying text box. The SRO is comprised of the State Resiliency Officer, representatives from various state authorities within the Governor’s Office and other departments and agencies, and several members of the legislature.

SRO MISSION STATEMENT

Fortify statewide resiliency by coordinating government agencies, first responders, and other stakeholders in efforts for emergency and disaster planning, response, recovery and resiliency planning, and mitigation activities to help rebuild stronger communities.

The board meets quarterly and oversees several federal initiatives, including HUD’s Community Development Block Grant Disaster Recovery (CDBG-DR), the Milton Flood Risk Management Project, and Community Development Block Grant Mitigation (CDBG-MIT). Additional duties include supporting intragovernmental working groups and monitoring local disaster policy compliance. The SRO is intended to serve as a cabinet-level liaison for resilience activities in the State, but lacks formal authority over these functions, despite its monitoring role.

CDBG-DR and CDBG-MIT are disaster recovery and mitigation grants managed by the Division of Economic Development within the Department of Commerce. The Milton Flood Risk Management Project is a flood prevention effort in Milton, WV (population 2,800), funded with \$120 million in federal funds under U.S. Army Corps of Engineers (USACE) oversight.

ESTIMATED IMPACT

The State Resiliency Office (SRO) is fully funded through State revenue and accounts for approximately \$300,000 in annual expenditures, with 96 percent allocated to personnel costs. Opportunities may exist to more effectively utilize a cabinet-level disaster and emergency management office to fulfill its mission, including the following:

1. Promote and facilitate inter-agency cost recovery through Stafford Act funding, with particular emphasis on the Departments of Health and Transportation.
2. Implement state disaster funding to enhance the Emergency Management Division’s (EMD) capacity to respond to current disasters and prepare for future events. These measures could provide resilience and continuity for EMD, in the event of reductions in federal funding.
3. Provide oversight for COOP and COG planning, as referenced in Finding 10.

UPFRONT COST TO CORRECT	ESTIMATED TIME TO FIX	PERSONNEL COST SAVINGS/REVENUE	OTHER THAN PERSONNEL COST SAVINGS/REVENUE	ESTIMATED ANNUAL COST SAVINGS/REVENUE
MEDIUM	<1 YEAR	\$300,000	-	\$300,000

Findings and Considerations

FINDING 11: SEOC FACILITY RESILIENCE

BACKGROUND

The EMD facility selection is key to West Virginia’s disaster preparedness, as this facility’s resilience represents the continuity of West Virginia’s operations in a crisis. Both cost and resilience can be balanced when making this decision.

The State Emergency Operations Center (SEOC) serves as West Virginia’s centralized facility for coordination and decision-making during emergencies and disasters. It manages resources, implements state emergency plans in alignment with federal guidelines, analyzes data from affected areas, and acts as the primary hub for decisions and communication. The SEOC is essential for maintaining uninterrupted emergency services throughout a crisis and is administered by the EMD.

EMD’s current facility was leased at a below-market rate, a situation unlikely to be replicated elsewhere. With the lease expiring and the landlord requiring rental of the entire building, remaining at the current location is not feasible. EMD is now selecting a new facility to house both daily operations and the SEOC.

After review, EMD chose Building 2000 in Tech Park for its new headquarters and SEOC. For leadership consideration, three financial scenarios were evaluated: 1) continuing at 1700 MacCorkle, as a baseline, though this is not viable due to increased costs; 2) relocating to Building 2000 in Tech Park; and 3) moving to Hills Plaza. Each option meets EMD’s space needs but varies in costs for relocation, utility setup, operational resilience, and office capacity.

ESTIMATED IMPACT

Exhibit 6: Year 1 Rent vs. Moving Expense by Facility

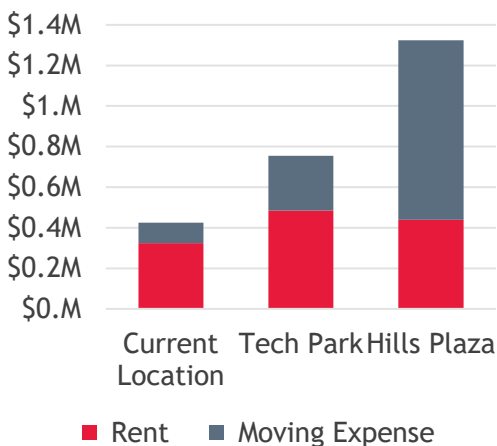


Exhibit 6 illustrates the relative costs associated with relocation and rent across three scenarios. The current location is presented for reference purposes only. The Tech Park option demonstrates a lower proportion of total costs attributed to moving expenses, whereas the Hills Plaza scenario requires significantly higher investment in relocation.

Moving expenses for Hills Plaza encompass substantial capital outlays for utility resiliency, installation of cubicles, and facility modifications. This location also necessitates increased investment from the Office of Technology and enhanced security measures.

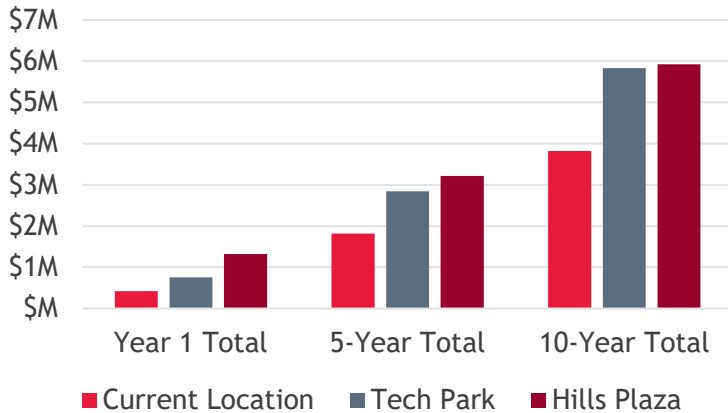
The graphs on the following page compare the benefits of lower upfront investment against lower ongoing rent costs for the Tech Park and Hills Plaza locations.

Findings and Considerations

FINDING 11: SEOC FACILITY RESILIENCE

BACKGROUND CONTINUED

Exhibit 7: Projected Total Cost by Facility Every 5 Years



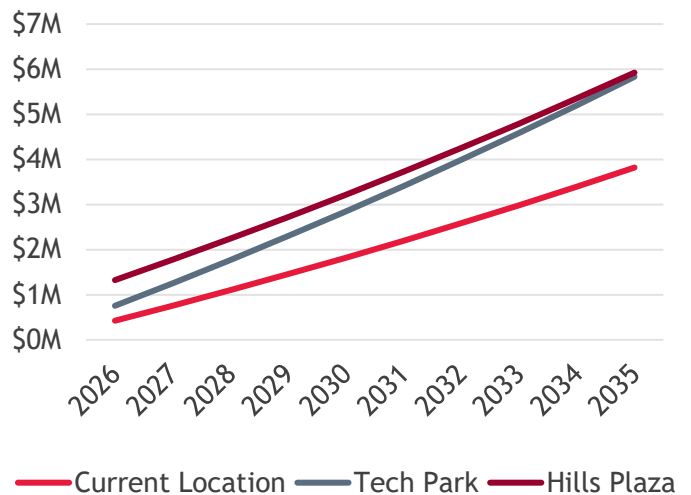
Both Exhibit 7 and Exhibit 8 depict the projected cost growth for each rental scenario over a 10-year period.

Exhibit 7 presents the 1-, 5-, and 10-year occupancy costs for each location. As shown, the current facility would have represented an optimal long-term solution; however, the lease was secured at a substantially discounted rate, making it an exceptional, “too-good-to-be-true” scenario.

All cost projections assume that rent will increase by 3 percent annually over the next 25 years.

EMD feedback indicates that relocating to the Tech Park facility enables the co-location of all staff within a single structure. This consolidation facilitates operational efficiencies and liberates space within the DAS building located on Smith Street. The consolidation of EMD personnel into one location is projected to enhance the agility of emergency response mechanisms and elevate the effectiveness and resilience of SEOC activities during critical incidents. Based on EMD’s evaluation, Tech Park is considered a practical and strategic occupancy solution within the operational framework of West Virginia’s Emergency Management infrastructure.

Exhibit 8: Total Cost by Facility Over Time



ESTIMATED IMPACT

Resilient facilities capable of withstanding a wide range of disaster scenarios are essential to the effectiveness of any Emergency Management Division. The importance of resilience in a facility designated as the central hub for statewide disaster response cannot be overstated, and EMD has determined that Tech Park provides the highest level of resilience with comparatively lower upfront investment. Initial investment savings associated with the selection of Tech Park over Hills Plaza are estimated at approximately \$570,000. As detailed in Exhibit 8, the Tech Park location presents a more cost-effective option over the subsequent 10 years, at which point the facility costs equalize.

Findings and Considerations

FINDING 11: SEOC FACILITY RESILIENCE

POTENTIAL CONSIDERATIONS

CATEGORY	CONSIDERATION
Ensure Resilience	Prioritize the selection of locations and facilities that offer the highest feasible level of resilience in disaster scenarios, including safeguards against flooding, power outages, internet service disruptions, and other events that could hinder EMD's operational capabilities during a crisis.
Prioritize Existing Facilities	Consider future improvements and optimization of existing state-owned facilities to meet EMD's resiliency standards, potentially before realizing full return on investment from a lower upfront cost facility. This approach may reduce EMD's occupancy burden and enable the reallocation of funds to further enhance resilience and disaster preparedness.

UPFRONT COST TO CORRECT	ESTIMATED TIME TO FIX	PERSONNEL COST SAVINGS/REVENUE	OTHER THAN PERSONNEL COST SAVINGS/REVENUE	ESTIMATED ANNUAL COST SAVINGS/REVENUE
MEDIUM	6-12 MONTHS	-	\$570,000	\$570,000

Findings and Considerations

IV. MISCELLANEOUS ADDITIONAL FOCUS AREAS

Findings and Considerations

FINDING 12: MISCELLANEOUS ADDITIONAL AREAS OF FOCUS

OVERVIEW

During BDO's audit, additional issues and concerns were noted which are worth documenting in this report. These findings were not, however, significant or verifiable enough to merit their own sections or cost analysis. BDO has recorded these additional areas of focus for the State's consideration and situational awareness, divided by agency.

STATE POLICE DEPARTMENT

- ▶ State Police expressed dissatisfaction with their decentralized procurement process, citing issues with reliance on paper documentation and the overall complexity. Centralizing some procurement functions to DAS, or even to the State Purchasing Division may offer improvements.
- ▶ State Police also reported challenges in recruiting qualified candidates for accounting roles, due to current salary levels. Few applicants can pass a basic math test, which is an essential requirement for managing the financial responsibilities of a large law enforcement agency.

CAPITOL POLICE/PROTECTIVE SERVICES DIVISION

- ▶ All Capitol Police reports are filled out on paper.
- ▶ There may be opportunities for increased safety and decreased Capitol Police staffing with improved body scanners.

DIVISION OF CORRECTIONS AND REHABILITATION

- ▶ Prison scheduling for officers and offenders is conducted on paper. Staff reported instances of missed medical appointments and hearings, resulting from scheduling inefficiencies and short staffing.
- ▶ Many agencies are required to contract with or procure from West Virginia Correctional Industries, DCR's prison manufacturing division, which sets its own pricing and demand market. Examining this unit in greater detail may be worthwhile to assess whether it produces quality goods at an efficient cost, whether its pricing structure contributes to recovering the cost of housing offenders, and whether prison services could expand to additional markets to meet community needs. BDO did not conduct a rigorous review of this revenue stream or the procurement process.

STATE FIRE MARSHAL

- ▶ Pricing for Fire Marshal inspections and other services has not been adjusted for 20 years, per the Fire Marshal's office. Despite this, revenue from inspections and other services sufficiently covers the agency's costs. Increasing fees could provide opportunities to expand programming and preventative measures, better tailored to West Virginia's fire prevention needs. Such a pricing model would also serve to recover shared service costs more effectively.
-

Findings and Considerations

MISCELLANEOUS ADDITIONAL FINDINGS

STATE FUSION CENTER

- ▶ Operations at the Fusion Center are among the most technologically sophisticated that BDO has observed in the State. There may be opportunities to leverage their work and talent for DHS and the State government as a whole.
 - ▶ Procurement hurdles, particularly with software, are a major concern for the continuity of the Fusion Center's operations and services. Outages of software systems have occurred due to prolonged contract negotiations and the unclear division of responsibilities between agency procurement staff, DAS, and State Purchasing Division.
-

Appendices



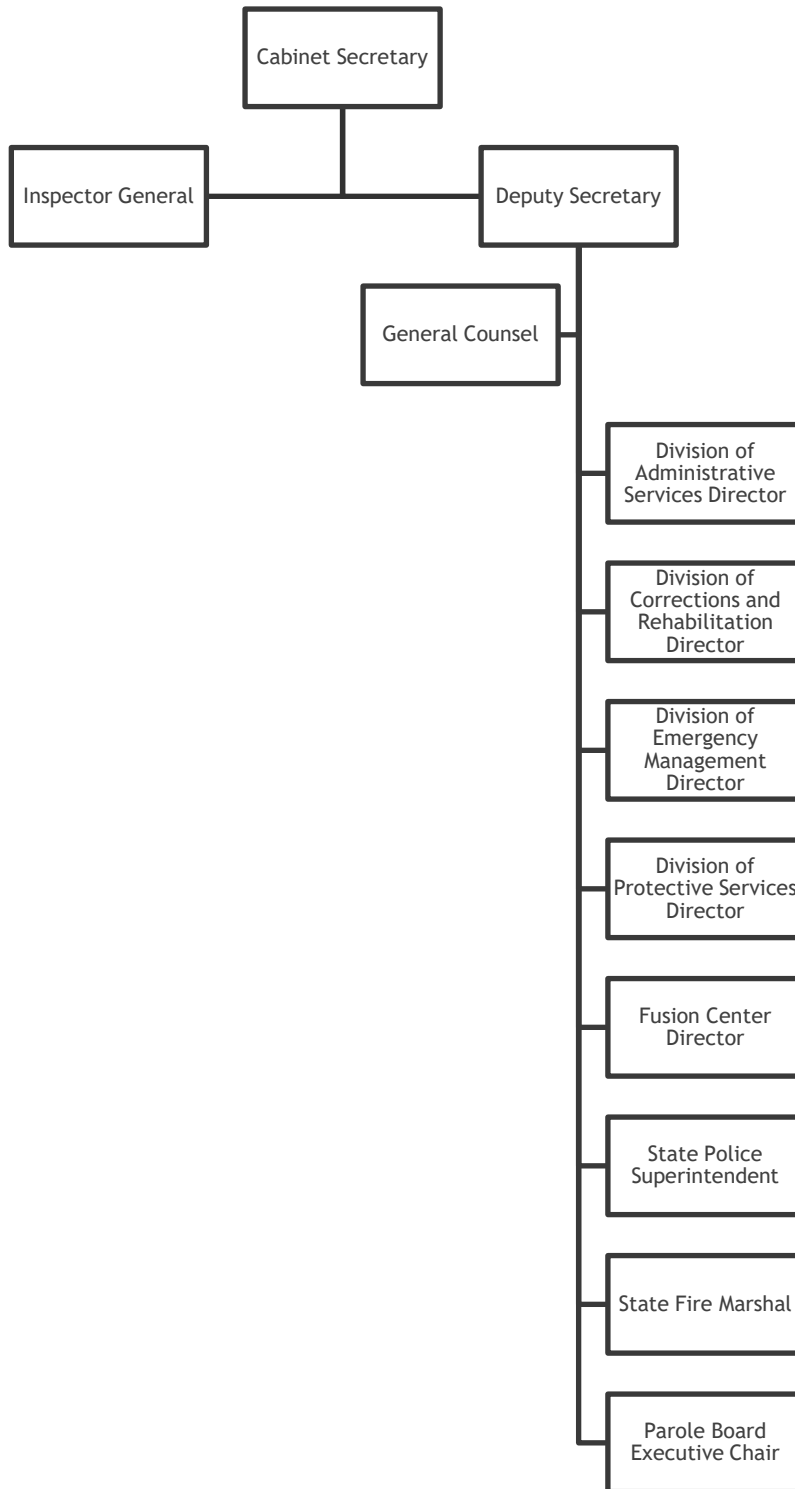
Appendix A

DHS AGENCIES

AGENCY	AGENCY HEAD	APPROXIMATE SIZE	FTES	BDO INTERVIEWS
Department of Homeland Security/Total	Douglas Buffington	\$850 million	4,890	24
Office of the Secretary	Douglas Buffington	Unclear	39	3
Division of Administrative Services	Tina Desmond	\$43 million	92	3
Division of Corrections & Rehabilitation	David Kelly	\$543 million	3,538	3
Emergency Management Division	G.E. McCabe	\$117 million	95	4
Parole Board	Benita Murphy	\$1.2 million	15	1
Division of Protective Services	Kevin Foreman	\$4.3 million	62	1
State Fire Marshal	Kenneth Tyree	\$5 million	61	1
State Fusion Center	Robert Workman	\$2 million	Unclear	2
State Police Department	James Mitchell	\$140 million	988	6

Appendix B

WEST VIRGINIA DEPARTMENT OF HOMELAND SECURITY CABINET SECRETARY'S OFFICE ORGANIZATIONAL CHART



Appendix C

INTERVIEW LIST

NAME	POSITION	ORGANIZATION
Douglas Buffington	Interim Cabinet Secretary	Department of Homeland Security
Tina Desmond	Director	Division of Administrative Services
Bryan Arthur	Assistant Director of Finances	Division of Administrative Services
Christian Baumgarner	Internal Auditor	Division of Administrative Services
April Darnell	HR Director	Division of Administrative Services
Theresa James	Accountant Auditor	Division of Administrative Services
Matthew Dayhaw	Auditor Supervisor	Division of Administrative Services
David Kelly	Commissioner	Division of Corrections and Rehabilitation
Betty Slack	Director of Operations	Division of Corrections and Rehabilitation
Lori Lynch	Chief of Staff	Division of Corrections and Rehabilitation
Jonathan Frame	Superintendent	Division of Corrections and Rehabilitation
Molly Mullins	IT Director	Division of Corrections and Rehabilitation
Jonathan Huffman	Director of Records	Division of Corrections and Rehabilitation
G.E. McCabe	Director	Division of Emergency Management
Matthew Blackwood	Deputy Director	Division of Emergency Management
Kevin Foreman	Director	Division of Protective Services
Tony Smith	Director of School Safety	Division of Protective Services
Robert Workman	Director	Fusion Center
Steven Patterson	Deputy Director	Fusion Center
Kathryn Wolfe	Purchasing	Fusion Center
Benita Murphy	Chairperson	Parole Board
Mavi Crawford	Executive Secretary	Parole Board
Ken Tyree	Fire Marshal	State Fire Marshal
James Mitchell	Superintendent	State Police
Chris Behre	Information Services Manager	State Police
Ramsey McCoy	Grants Administrator	State Police
Billy Potter	HR Director	State Police
Connie Gundy	Comptroller/Director of Accounting	State Police
David Simmons	Troop Commander	State Police
Jeremy Wolfe	Executive Director	Board of Risk and Insurance Management
John Fernatt	Deputy Director	Board of Risk and Insurance Management
Eric Householder	Cabinet Secretary	Department of Administration
Sara Jones	Deputy Secretary	Department of Administration
Bob Paulson	General Counsel	Department of Administration

Appendix D

DOCUMENTS REVIEWED

1. Department and Division Organization Charts
 2. Department internal audits
 3. Agency & Office Descriptions
 4. FY26 Budget Presentation
 5. Bureau budgets
 6. Fiscal projections and other analysis generated by DHS
 7. Financial Reports generated from Oasis
 8. Current Headcount Reports generated from Oasis
 9. State single audit
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Endnotes

Endnotes

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