TO: Mujahid Muhammad, Executive Director
KEYS Empowers, Inc.

FROM: Shelly Marie Martin - *Shelly Marie Martin - OIGH*
Inspector General

DATE: April 30, 2026

RE: Desk Audit Report – KEYS Empowers, Inc.

Background

Consistent with State laws and regulations, the Maryland Office of the Inspector General for Health (OIGH) conducts a desk audit of health care providers to ensure that State funds have been expended in accordance with Maryland Department of Health (MDH) guidelines.

KEYS Empowers, Inc., located in Baltimore, Maryland, is a nonprofit organization established to provide community-based human services to underserved populations within the State. The organization's operations include the provision of supportive services, such as behavioral health, educational assistance, and emergency support, aimed at promoting self-sufficiency and improving social outcomes through community-oriented program delivery. During the audit period (July 1, 2021, to June 30, 2024), KEYS Empowers, Inc. received $824,000 from MDH to support its mission.

Results of Review

The OIGH determined that $433,493 is due to MDH based on overfunding, discrepancies between reported expenditures and general ledger records, and inadequate supporting documentation of general ledger transactions. The OIGH also identified several areas in which internal controls can be improved. Details regarding these issues, along with OIGH's recommendations, are included in the attached report.

During the course of the audit, OIGH received a subpoena from the Office of the Attorney General for audit-related documentation pertaining to Keys Empowers.

cc: Shondelle M. Wilson-Frederick, Ph.D., Minority Health and Health Disparities (MHHD) Director, MDH
Ajah Doswell, Chief Financial Officer, KEYS Empowers, Inc.

Office of the Inspector General for Health

Desk Audit Report

April 30, 2026

KEYS Empowers, Inc.

July 1, 2021 through June 30, 2024

Maryland

OFFICE OF THE INSPECTOR GENERAL FOR HEALTH

Maryland Office of the Inspector General for Health

Desk Audit Report: KEYS Empowers, Inc.

The Office of the Inspector General for Health's (OIGH) External Audit Division has performed a desk audit on the accounts and records of KEYS Empowers, Inc. (KEYS) relative to its contracts with the Maryland Department of Health (MDH), Minority Health and Health Disparities Administration for the period July 1, 2021 through June 30, 2024.

Objectives of the Examination

The OIGH conducted the audit to:

- Determine the amount of program revenue received and allowable expenditures incurred by the program for the contracts.
- Determine any amount due to the State or to the provider resulting from the operation of the programs during the audit period.
- Determine whether financial matters were conducted in accordance with the MDH's Human Services Agreements Manual (HSAM).

Audit Scope and Methodology

To accomplish our audit objectives, our audit procedures included inquiries of appropriate personnel, inspections of documents and records, and tests of transactions. Generally, transactions were selected for testing based on auditor judgment, which primarily considers risk, the timing or dollar amount of the transaction, or the significance of the transaction to the area of operation reviewed. Unless otherwise specifically indicated, neither statistical nor non-statistical audit sampling was used to select the transactions tested. Therefore, the results of the tests cannot be used to project those results to the entire population from which the test items were selected.

Except as noted in the subsequent paragraph, this performance audit was conducted in accordance with generally accepted government auditing standards (GAGAS). These standards require auditors to plan and execute the audit to obtain sufficient and appropriate evidence to provide a reasonable basis for findings and conclusions based on the audit objectives. We believe the evidence obtained provides a reasonable basis for the findings and conclusions presented in this report.

In accordance with GAGAS, a Peer Review is required to be conducted at least once every three years by an independent external firm. Peer Reviews serve as periodic evaluations of the quality and effectiveness of an organization's audit work and internal quality control systems. The Office of the Inspector General for Health (OIGH) External Audit Division has not undergone a Peer Review to date. However, the division has expressed its intention to comply with GAGAS Peer Review standards and has tentatively arranged for a peer review to take place in May 2027. Until the peer review is concluded, the OIGH External Audit Division remains non-compliant with the GAGAS Peer Review requirements.

Presentation of Audit Schedules
This report contains the following schedules:

- Summary of Amounts Due to MDH
- Schedule SC: Schedule of Contracts Audited
- Schedule of Overfunding and Variances Between MDH Form 440 and General Ledger
- Schedule of Cost Disallowances

Internal Control
KEYS Empowers Inc.'s management is responsible for establishing and maintaining effective internal control. Internal control is a process designed to provide reasonable assurance that objectives pertaining to the reliability of financial records, effectiveness, and efficiency of operations, including the safeguarding of assets and compliance with applicable laws, rules, and regulations are achieved. As this was a desk audit, OIGH did not assess KEYS Empowers Inc.'s internal control system.

Conclusion
As a result of procedures performed, in accordance with the examination objectives set forth above, OIGH determined that $433,493 is due to MDH. The following is a summary of the amount due.

KEYS Empowers, Inc. Summary of Amount Due to MDH Audit Period FY2022 to FY 2024			
Finding Number	**Finding Description**	**Amount Due to MDH**	**Report Reference Page**
1	No reconciliation performed by MDH and variances between MDH form 440 and general ledger	$ 176,041	7
3	Inadequate supporting documentation of general ledger transactions	257,452	9
	Total Amount Due to MDH	**$ 433,493**	

Request For Corrective Action Plan
The provider's Corrective Action Plan (CAP) should be submitted to Isis Powell at isis.powell@maryland.gov in writing by **June 01, 2026.** The CAP should indicate whether the provider concurs or does not concur with the audit findings and recommendations. Concurrences should include a statement of actual or planned corrective actions to be taken and estimated completion dates. If the provider does not concur, the provider should explain why they do not concur.

Appeal Rights – Appeals to the Division of Cost Accounting and Reimbursement

If you wish to appeal the audit findings, you must notify Nedina Broy Stevenson, Division of Cost Accounting and Reimbursement at Nedinabroy.stevenson@maryland.gov by **June 01, 2026.**

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Schedule SC

KEYS Empowers, Inc.
Schedule of Contract Audited
Minority Health and Health Disparities Administration
Fiscal Year 2022 through 2024

Contract Number	Program	2022	2023	2024
BPM025255	COVID Community Canvassing	$ 175,000	$ -	$ -
BPM028406	Social Determinants of Health	-	200,000	-
M00B4600471	Enhancing Epidemiology and Laboratory Capacity for COVID-19 Through Community-Based Strategies.	-	-	249,000
BPM036979	Social Determinants of Health	-	-	200,000
	Total Contract Dollars Audited by Fiscal Year	**$ 175,000**	**$ 200,000**	**$ 449,000**

Total Number of Contracts Audited	**4**
Total Contract Dollars Audited	**$ 824,000**

Findings and Recommendations

Reconciliation

Finding 1 - No reconciliations were performed by MDH to detect variances between MDH form 440 and general ledger
Lack of year-end reconciliations resulted in unrecovered overfunding due to discrepancies between reported expenditures and general ledger records.

Analysis
The OIGH's review of MDH contracts during the audit period disclosed the following:

- No reconciliation of MDH form 440s lead to overfunding: MDH did not perform required reconciliations for all KEYS contracts, which resulted in overfunded amounts not being recouped. Reconciliation is a fiscal procedure typically conducted at the close of each fiscal year and serves as an arithmetic verification of reported expenditures and revenues, determination of net balances, and disposition of those balances. This process is based on reported financial activity, subject to review and adjustment by the MDH Division of Grants and Local Health (MDH-DGLH). During the audit, KEYS Empowers, Inc. indicated that Annual Reports (MDH form 440s) were submitted to MDH Minority Health and Health Disparities (MHHD); however, no responses were received. Follow-up with MDH-DGLH confirmed that no directive was issued by MDH MHHD to reconcile these grants. This indicates a lack of effective monitoring and communication among responsible parties.
- Variances between reported expenditure and general ledger records: discrepancies were noted between contract expenditures reported in the MDH annual report (form 440) and the amounts recorded in KEYS Empowers Inc.'s general ledger.

See the Schedule below for more detail:

KEYS Empowers, Inc. Schedule of Overfunding and Variances Between MDH Form 440 and General Ledger				
Fiscal Year	**Contract Number**	**Contract Description**	**Finding Description**	**Amount Due to MDH**
2022	BPM025255	COVID Community Canvassing	No Reconciliation Performed by MDH, Overfunding to Key Empowers	$ 24,440
Total Amount Due to MDH by FY2022				**24,440**
2023	BPM028406	Social Determinants of Health	No Reconciliation Performed by MDH, variances between MDH 440 and GL	4,693
Total Amount Due to MDH by FY2023				**4,693**
2024	M00B4600471	Enhancing Epidemiology and Laboratory Capacity for COVID-19 Through Community-Based Strategies.	No Reconciliation Performed by MDH, variances between MDH 440 and GL	17,769
2024	BPM036979	Social Determinants of Health	No Reconciliation Performed by MDH, variances between MDH 440 and GL	129,140
Total Amount Due to MDH by FY2024				**146,909**
Total Amount Due to MDH				**$ 176,041**

Criteria

Human Services Agreement Manual (HSAM) Section 2210.05 states, *"The audit reviews expenditures and revenues to determine if they are consistent with the approved budget and supported by adequate documentation, in accordance with generally accepted accounting principles, and/or the grant contract agreement."*

Recommendation 1
The OIGH recommends KEYS:

Ensure all expenditures recorded in the annual report MDH form 440 agree with amounts reflected in the general ledger.

Cost disallowances resulting from the finding above total $176,041 due to MDH.

Finding 2 - CPA report
Keys Empowers' audited financial statements did not separate program services from their total operations.

Analysis

OIGH's review of Keys Empowers' audited financial statements (CPA report) for the audit period disclosed that the CPA report did not separate the COVID Community Canvassing, SDOH, and ELC programs from its total operations, although the audit fee was shared with these programs.

Criteria
HSAM Section 2210.05 states: *"The audit review expenditures and revenues to determine if they are consistent with the approved budget and supported by adequate documentation, in accordance with generally accepted accounting principles, and/or the grant contract agreement".*

The CPA report is an essential part of the program monitoring process.

Recommendation 2
To avoid possible future cost disallowances, OIGH recommends KEYS:
Ensure that the independent CPA Report reflects each of the MDH Contracts separately and isolated from the provider's total operation.

Expenditure

Finding 3 - Inadequate supporting documentation of general ledger transactions
Keys Empowers, Inc. failed to maintain sufficient documentation to justify the allowability of expenditures.

Analysis
The OIGH review of Keys Empowers Inc.'s expenditures for the audit period disclosed that the provider failed to maintain adequate supporting documentation for transactions recorded in the general ledger. The specific documentation gaps identified include:

- Missing Primary Evidence: multiple expenditures lacked supporting invoices, receipts, or proof of payment, rendering them unsubstantiated.
- Several costs were deemed questionable or unrelated to contract objectives. These included, but were not limited to seafood fine dining, home improvement items (water heaters, furniture), personal apparel, entertainment (VR games), college fees, groceries and car insurance, etc.
- Payments were frequently made via Peer-to-Peer (P2P) Payment Services such as Cash App or Zelle to individuals rather than the invoiced vendors or business entities.
- The general ledger often failed to reconcile with submitted invoice amounts or actual payments.
- KEYS recorded non-expense payment, such as a cash security deposit for rent.
- The provider purchased gift cards and furniture without maintaining distribution logs or demonstrating program necessity.
- KEYS failed to maintain consultant timesheets or executed contracts to support professional service fees.
- A related-party transaction was identified involving rent payments to Whole Care, an entity owned by the KEYS CEO, without evidence of arm's-length bargaining.

See schedules below for more details:

KEYS Empowers, Inc.
Schedule of Cost Disallowances
Fiscal Year 2022

Fiscal Year	Contract Number	Contract Description	GL Account	Finding Description	Disallowed Amount
2022	PHP-A-1631 BPM025255	Covid: Community Canvassing	Training Expense MDH-MHHD	The provider did not maintain invoices or executed contracts to support the recorded expenditures. Although the costs were classified as "training expenses," the documentation identified salaried employees without corresponding payroll rates to substantiate the amounts charged. Additionally, no evidence of payment to the two employees was provided. As a result, the expenditures could not be verified for accuracy, classification, or occurrence.	$ 2,000
2022	PHP-A-1631 BPM025255	Covid: Community Canvassing	Training Expense MDH-MHHD		3,000
2022	PHP-A-1631 BPM025255	Covid: Community Canvassing	Total 550100 MHHD-Consultants (staff) - Other	The provider did not maintain invoices or contracts to support the recorded expenditures. Documentation provided was limited to timesheets and bank statements; however, the payment amounts did not reconcile to the general ledger. Consequently, we were unable to verify the transaction against supporting documentation.	6,000
2022	PHP-A-1631 BPM025255	Covid: Community Canvassing	Total 550100 MHHD-Consultants (staff) - Other	The provider did not maintain invoices or contracts to support the recorded expenditures. Documentation provided was limited to timesheets and bank statements; however, the payment amounts did not reconcile to the general ledger. Consequently, we were unable to verify the transaction against supporting documentation.	10,000
2022	PHP-A-1631 BPM025255	Covid: Community Canvassing	Total 550100 MHHD-Consultants (staff) - Other	The provider did not maintain invoices or contracts to support the recorded expenditures. Documentation provided was limited to timesheets and bank statements; however, the payment amounts did not reconcile to the general ledger. Consequently, we were unable to verify the transaction against supporting documentation.	15,000
2022	PHP-A-1631 BPM025255	Covid: Community Canvassing	Total 550100 MHHD-Consultants (staff) - Other	The provider did not maintain invoices or contracts to support the recorded expenditures. Documentation provided was limited to timesheets and bank statements; however, the payment amounts did not reconcile to the general ledger. Consequently, we were unable to verify the transaction against supporting documentation.	7,750
2022	PHP-A-1631 BPM025255	Covid: Community Canvassing	Culinary	The provider submitted 21 receipts totaling $6,958.49; however, the total did not agree with the amount recorded in the general ledger. Additionally, the documentation provided was insufficient to justify the nature and allowability of the purchases. As a result, the expenditures could not be fully substantiated.	7,056

2022	PHP-A-1631 BPM025255	Covid: Community Canvassing	Culinary	The provider submitted an invoice reflecting gift card purchases totaling $1,900; however, the expenditures were not aligned with the program's culinary purpose and did not agree with the general ledger. Furthermore, the provider did not maintain documentation evidencing distribution of gift cards to clients or justification for the expenditures. Accordingly, the costs are unsupported.	1,756
2022	PHP-A-1631 BPM025255	Covid: Community Canvassing	Gift Card purchase	The provider submitted only an invoice without supporting documentation demonstrating distribution of gift cards to clients. In addition, no justification for the expenditures was provided. Therefore, the transaction could not be substantiated.	2,500
2022	PHP-A-1631 BPM025255	Covid: Community Canvassing	Gift Card purchase	The provider submitted only an invoice without supporting documentation demonstrating distribution of gift cards to clients. In addition, no justification for the expenditures was provided. Therefore, the transaction could not be substantiated.	2,500
2022	PHP-A-1631 BPM025255	Covid: Community Canvassing	Gift Card purchase	The provider submitted only an invoice without supporting documentation demonstrating distribution of gift cards to clients. In addition, no justification for the expenditures was provided. Therefore, the transaction could not be substantiated.	1,750
2022	PHP-A-1631 BPM025255	Covid: Community Canvassing	Indirect Cost - MHHD	The provider submitted an invoice and proof of payment totaling $2,000; however, the amount was less than the total recorded in the general ledger. As a result, the full expenditure could not be reconciled or verified.	593
2022	PHP-A-1631 BPM025255	Covid: Community Canvassing	Indirect Cost - MHHD	The provider submitted various documents, including some valid invoices and proof of payment totaling $7,509.30; however, this amount did not agree with the general ledger. Based on the documentation provided, only $7,509.30 could be substantiated, and the remaining balance is unsupported.	1,565
2022	PHP-A-1631 BPM025255	Covid: Community Canvassing	Promotional Expenses	The provider submitted only a purchase order without corresponding invoices, receiving documentation, or proof of payment. Additionally, the purchase order amount did not agree with the general ledger. As a result, the transaction could not be verified against supporting documentation.	2,897
Total Cost Disallwances Due to MDH for FY2022					**$ 64,366**

KEYS Empowers, Inc. Schedule of Cost Disallowances Fiscal Year 2023					
Fiscal Year	**Contract Number**	**Contract Description**	**GL Account**	**Finding Description**	**Disallowed Amount**
2023	BPM028406	Social Determinants of Health	Case Management	The provider did not provide any supporting documentation for the recorded expenditure. Accordingly, the transaction could not be substantiated.	$ 1,000
2023	BPM028406	Social Determinants of Health	Professional Services (CPA, TAX)	The provider did not provide any supporting documentation for the recorded expenditure. Accordingly, the transaction could not be substantiated.	6,875
2023	BPM028406	Social Determinants of Health	Other	The provider did not maintain consultant timesheets or executed contracts and did not provide proof of payment to support the recorded expenditures. As a result, the transaction could not be verified.	2,000
2023	BPM028406	Social Determinants of Health	Other	The provider did not maintain consultant timesheets or executed contracts and did not provide proof of payment to support the recorded expenditures. As a result, the transaction could not be verified.	1,000
2023	BPM028406	Social Determinants of Health	Other	The expenditure was not related to consultant services. Additionally, the provider did not maintain a purchase order or provide proof of payment. As a result, the transaction could not be substantiated.	3,000
2023	BPM028406	Social Determinants of Health	Other	The expenditure was not related to consultant services. Additionally, the provider did not maintain a purchase order or provide proof of payment. As a result, the transaction could not be substantiated.	9,000
2023	BPM028406	Social Determinants of Health	Parking	The provider did not provide any supporting documentation for the recorded expenditure. Accordingly, the transaction could not be substantiated.	3,128
2023	BPM028406	Social Determinants of Health	Rent	The provider submitted a receipt and bank statement; however, the payment amounts did not agree. Specifically, the bank statement reflected a payment of $500 to an individual, whereas the receipt indicated $600 payable to a rental company, with a different payee identified. Due to these discrepancies, the transaction could not be verified.	600
2023	BPM028406	Social Determinants of Health	Rent	The provider did not provide any supporting documentation for the recorded expenditure. Accordingly, the transaction could not be substantiated.	1,200

2023	BPM028406	Social Determinants of Health	560300-Transportation Expense	The provider did not provide proof of payment or documentation to justify the nature and allowability of the expenditure. As a result, the transaction could not be substantiated.	1,228
2023	BPM028406	Social Determinants of Health	560300-Transportation Expense	The provider did not provide proof of payment or documentation to justify the nature and allowability of the expenditure. As a result, the transaction could not be substantiated.	1,506
2023	BPM028406	Social Determinants of Health	Stipends	The provider did not submit an invoice to support the recorded expenditure. Documentation provided included a contract with Baltimore Civic Fund, Inc., indicating that Key Empowers was the service provider and recipient of payment; however, no billing documentation was maintained to substantiate the amount recorded. As a result, the transaction could not be fully verified.	2,265
2023	BPM028406	Social Determinants of Health	Stipends	The provider did not submit an invoice to support the recorded expenditure. Documentation provided included a contract with Baltimore Civic Fund, Inc., indicating that Key Empowers was the service provider and recipient of payment; however, no billing documentation was maintained to substantiate the amount recorded. As a result, the transaction could not be fully verified.	4,535
2023	BPM028406	Social Determinants of Health	560400 Client Activities - Other	The provider submitted an invoice and proof of payment; however, the payment was made via Zelle to an individual (Andrea) rather than to the invoiced entity, Visions And Company LLC. As a result, the payment does not support the invoiced vendor, and the transaction could not be verified.	1,000
2023	BPM028406	Social Determinants of Health	560400 Client Activities - Other	The provider made payments through Cash App to various individuals without maintaining invoices or documentation to justify the expenditures. As a result, the transactions could not be substantiated.	2,135
2023	BPM028406	Social Determinants of Health	Indirect Cost - SDOH	The provider submitted various documents, including some valid invoices and proof of payment totaling $13,901.89; however, this amount did not agree with the general ledger. Based on the documentation provided, only $13,901.89 could be substantiated, and the remaining balance is unsupported.	7,722
Total Cost Disallwances Due to MDH for FY2023					**$ 48,194**

KEYS Empowers, Inc. Schedule of Cost Disallowances Fiscal Year 2024					
Fiscal Year	**Contract Number**	**Contract Description**	**GL Account Name**	**Finding Description**	**Disallowed Amount**
2024	BPM036979	Social Determinants of Health	560100-SDOH Consultants (Staff)	The provider did not maintain consultant timesheets or executed contracts to support the recorded expenditures. Additionally, the amount recorded in the general ledger exceeded both the invoiced amount and the actual payment amount by $180	$ 180
2024	BPM036979	Social Determinants of Health	560200-Rent	Questionable Cost -The provider recorded expenditures for rental payments to Whole Care, purportedly to facilitate the provision of health care services. This represents a questionable use of funds. Additionally, we noted a potential related party transaction, as Mujahid Muhammad, LMSW, President of Keys Empowers, is also identified as an owner of Whole Care. The provider did not demonstrate that the transaction was conducted at arm's length or that the expenditure was reasonable, necessary, and allowable	3,200
2024	BPM036979	Social Determinants of Health	560200-Rent		3,200
2024	BPM036979	Social Determinants of Health	560200-Rent		1,600
2024	BPM036979	Social Determinants of Health	560200-Rent		1,600
2024	BPM036979	Social Determinants of Health	560400 Client Activities	The provider did not provide supporting documentation for the recorded expenditure and indicated that the payment was returned. However, no evidence was provided to substantiate the return of funds. As a result, the transaction could not be verified.	1,603
2024	BPM036979	Social Determinants of Health	560400 Client Activities	The provider did not provide supporting documentation for the recorded expenditure and indicated that the payment was returned. However, no evidence was provided to substantiate the return of funds. As a result, the transaction could not be verified.	1,417
2024	BPM036979	Social Determinants of Health	560400 Client Activities	The provider did not provide supporting documentation for the recorded expenditure and indicated that the payment was returned. However, no evidence was provided to substantiate the return of funds. As a result, the transaction could not be verified.	1,017
2024	BPM036979	Social Determinants of Health	560400 Client Activities	The provider did not provide supporting documentation for the recorded expenditure and indicated that the payment was returned. However, no evidence was provided to substantiate the return of funds. As a result, the transaction could not be verified.	1,377
2024	M00B4600471	Enhancing Epidemiology and Laboratory Capacity for COVID-19 Through Community-Based Strategies.	570200 - Transportation Expense	The provider did not provide proof of payment or documentation to justify the nature and allowability of Uber-related expenditures. As a result, the transaction could not be substantiated.	2,770
2024	M00B4600471	Enhancing Epidemiology and Laboratory Capacity for COVID-19 Through Community-Based Strategies.	570200 - Transportation Expense	The provider did not provide any supporting documentation for the recorded expenditure. Accordingly, the transaction could not be substantiated.	8,931

2024	M00B4600471	Enhancing Epidemiology and Laboratory Capacity for COVID-19 Through Community-Based Strategies.	570200 - Transportation Expense	The provider did not provide any supporting documentation for the recorded expenditure. Accordingly, the transaction could not be substantiated.	1,774
2024	M00B4600471	Enhancing Epidemiology and Laboratory Capacity for COVID-19 Through Community-Based Strategies.	570300 Client Activities	The provider submitted proof of payment; however, the recipient differed from the invoiced vendor. Additionally, the expenditure related to seafood fine dining in Baltimore City, which appears unrelated to program objectives. The provider did not provide justification demonstrating the expenditure was necessary and allowable under the ELC grant. As a result, the transaction is considered questionable and unsupported.	3,000
2024	M00B4600471	Enhancing Epidemiology and Laboratory Capacity for COVID-19 Through Community-Based Strategies.	570300 Client Activities	The provider did not provide any supporting documentation for the recorded expenditure. Accordingly, the transaction could not be substantiated.	396
2024	M00B4600471	Enhancing Epidemiology and Laboratory Capacity for COVID-19 Through Community-Based Strategies.	570300 Client Activities	The invoice amount did not agree with the general ledger, and the provider did not provide justification demonstrating the expenditure was allowable under the ELC grant. As a result, the transaction could not be verified.	480
2024	M00B4600471	Enhancing Epidemiology and Laboratory Capacity for COVID-19 Through Community-Based Strategies.	570300 Client Activities	The provider did not provide any supporting documentation for the recorded expenditure. Accordingly, the transaction could not be substantiated.	1,467
2024	M00B4600471	Enhancing Epidemiology and Laboratory Capacity for COVID-19 Through Community-Based Strategies.	570300 Client Activities	The provider did not provide any supporting documentation for the recorded expenditure. Accordingly, the transaction could not be substantiated.	27,592
2024	M00B4600471	Enhancing Epidemiology and Laboratory Capacity for COVID-19 Through Community-Based Strategies.	570300 Client Activities	Questionable cost-The provider purchased a 40-gallon natural gas low NOx water heater; however, no documentation was provided to justify the expenditure's relevance or allowability under the ELC grant. As a result, the cost is considered questionable.	602
2024	M00B4600471	Enhancing Epidemiology and Laboratory Capacity for COVID-19 Through Community-Based Strategies.	570300 Client Activities	The provider did not provide invoices and only submitted transaction history reflecting payments to an individual (Dee Johnson). As a result, the transaction could not be substantiated.	3,525
2024	M00B4600471	Enhancing Epidemiology and Laboratory Capacity for COVID-19 Through Community-Based Strategies.	570300 Client Activities	The provider did not provide invoices and only submitted transaction history reflecting payments to an individual (Dee Johnson). As a result, the transaction could not be substantiated.	2,575
2024	M00B4600471	Enhancing Epidemiology and Laboratory Capacity for COVID-19 Through Community-Based Strategies.	570300 Client Activities	Questionable cost - The provider submitted receipts lacking sufficient detail to determine the nature of purchases from Harbor Freight. Additionally, no justification was provided demonstrating the expenditure was allowable under the ELC grant.	219
2024	M00B4600471	Enhancing Epidemiology and Laboratory Capacity for COVID-19 Through Community-Based Strategies.	570300 Client Activities	Questionable cost - The provider submitted receipts lacking sufficient detail to determine the nature of purchases from Home Depot. Additionally, no justification was provided demonstrating the expenditure was allowable under the ELC grant.	1,651
2024	M00B4600471	Enhancing Epidemiology and Laboratory Capacity for COVID-19 Through Community-Based Strategies.	570300 Client Activities	Questionable cost - The provider submitted receipts lacking sufficient detail to determine the nature of purchases from Home Depot. Additionally, no justification was provided demonstrating the expenditure was allowable under the ELC grant. .	339
2024	M00B4600471	Enhancing Epidemiology and Laboratory Capacity for COVID-19 Through Community-Based Strategies.	570300 Client Activities	Questionable cost - The provider submitted receipts lacking sufficient detail to determine the nature of purchases from Amazon. Additionally, no justification was provided demonstrating the expenditure was allowable under the ELC grant..	235
2024	M00B4600471	Enhancing Epidemiology and Laboratory Capacity for COVID-19 Through Community-Based Strategies.	570300 Client Activities	Questionable cost - The provider purchased furniture through an individual Amazon account without providing justification demonstrating the expenditure was allowable under the ELC grant.	500
2024	M00B4600471	Enhancing Epidemiology and Laboratory Capacity for COVID-19 Through Community-Based Strategies.	570300 Client Activities	The provider did not provide any supporting documentation for the recorded expenditure. Accordingly, the transaction could not be substantiated.	1,000
2024	M00B4600471	Enhancing Epidemiology and Laboratory Capacity for COVID-19 Through Community-Based Strategies.	570300 Client Activities	Questionable cost - The provider incurred expenditures for groceries, phone services, home improvement, lodging, and credit card payments without providing justification demonstrating allowability under the ELC grant.	750

2024	M00B4600471	Enhancing Epidemiology and Laboratory Capacity for COVID-19 Through Community-Based Strategies.	570300 Client Activities	Questionable cost - The provider incurred expenditures through an individual account for office supplies without justification demonstrating allowability under the ELC grant.	398
2024	M00B4600471	Enhancing Epidemiology and Laboratory Capacity for COVID-19 Through Community-Based Strategies.	570300 Client Activities	Questionable cost - The provider incurred expenditures through an individual account for office supplies without justification demonstrating allowability under the ELC grant.	269
2024	M00B4600471	Enhancing Epidemiology and Laboratory Capacity for COVID-19 Through Community-Based Strategies.	570300 Client Activities	Questionable cost - The provider purchased a TV wall mount through an individual Amazon account without justification demonstrating allowability under the ELC grant.	201
2024	M00B4600471	Enhancing Epidemiology and Laboratory Capacity for COVID-19 Through Community-Based Strategies.	570300 Client Activities	Questionable cost - The provider made rent payments on behalf of individuals without documentation demonstrating program relevance or allowability.	800
2024	M00B4600471	Enhancing Epidemiology and Laboratory Capacity for COVID-19 Through Community-Based Strategies.	570300 Client Activities	Questionable cost - The provider incurred expenditures for clothing, services, fuel, groceries, and utilities on behalf of individuals without justification demonstrating allowability under the ELC grant.	800
2024	M00B4600471	Enhancing Epidemiology and Laboratory Capacity for COVID-19 Through Community-Based Strategies.	570300 Client Activities	Questionable cost - The provider incurred expenditures for clothing without justification demonstrating allowability under the ELC grant.	100
2024	M00B4600471	Enhancing Epidemiology and Laboratory Capacity for COVID-19 Through Community-Based Strategies.	570300 Client Activities	Questionable cost - The provider recorded a cash security deposit for rent as an expense. Security deposits are not allowable expenses and should not be recorded as such.	2,200
2024	M00B4600471	Enhancing Epidemiology and Laboratory Capacity for COVID-19 Through Community-Based Strategies.	570300 Client Activities	Questionable cost - The provider incurred expenditures at Home Depot without justification demonstrating allowability under the ELC grant.	115
2024	M00B4600471	Enhancing Epidemiology and Laboratory Capacity for COVID-19 Through Community-Based Strategies.	570300 Client Activities	Questionable cost - The provider made cash rent payments totaling $1,800, which were less than the amount recorded in the general ledger. Additionally, no justification was provided demonstrating allowability under the ELC grant.	2,400
2024	M00B4600471	Enhancing Epidemiology and Laboratory Capacity for COVID-19 Through Community-Based Strategies.	570300 Client Activities	Questionable cost - The provider made rent payments on behalf of individuals without justification demonstrating allowability under the ELC grant.	224
2024	M00B4600471	Enhancing Epidemiology and Laboratory Capacity for COVID-19 Through Community-Based Strategies.	570300 Client Activities	Questionable cost - The provider made rent payments on behalf of individuals without justification demonstrating allowability under the ELC grant.	1,025
2024	M00B4600471	Enhancing Epidemiology and Laboratory Capacity for COVID-19 Through Community-Based Strategies.	570300 Client Activities	Questionable cost - The provider submitted receipts lacking sufficient detail to determine the nature of purchases from Best Buy. Additionally, no justification was provided demonstrating allowability.	952
2024	M00B4600471	Enhancing Epidemiology and Laboratory Capacity for COVID-19 Through Community-Based Strategies.	570300 Client Activities	Questionable cost - The provider incurred expenditures for furniture; however, receipts lacked sufficient detail, and no justification was provided demonstrating allowability under the ELC grant.	180
2024	M00B4600471	Enhancing Epidemiology and Laboratory Capacity for COVID-19 Through Community-Based Strategies.	570300 Client Activities	Questionable cost - The provider submitted receipts reflecting payments to various individuals; however, the receipts lacked sufficient detail, and no justification was provided.	3,630
2024	M00B4600471	Enhancing Epidemiology and Laboratory Capacity for COVID-19 Through Community-Based Strategies.	570300 Client Activities	Questionable cost - The provider submitted receipts lacking sufficient detail to determine the nature of Amazon purchases. Additionally, no justification was provided demonstrating allowability.	302
2024	M00B4600471	Enhancing Epidemiology and Laboratory Capacity for COVID-19 Through Community-Based Strategies.	570300 Client Activities	The provider did not provide any supporting documentation for the recorded expenditure. Accordingly, the transaction could not be substantiated.	15,000

2024	M00B4600471	Enhancing Epidemiology and Laboratory Capacity for COVID-19 Through Community-Based Strategies.	570300 Client Activities	Questionable cost - The provider submitted receipts lacking sufficient detail to verify rent payments and did not provide justification demonstrating allowability under the ELC grant.	396
2024	M00B4600471	Enhancing Epidemiology and Laboratory Capacity for COVID-19 Through Community-Based Strategies.	570300 Client Activities	Questionable cost - The provider incurred expenditures for car insurance without justification demonstrating allowability under the ELC grant.	440
2024	M00B4600471	Enhancing Epidemiology and Laboratory Capacity for COVID-19 Through Community-Based Strategies.	570300 Client Activities	Questionable cost - The provider incurred expenditures for children's shoes without justification demonstrating allowability under the ELC grant.	123
2024	M00B4600471	Enhancing Epidemiology and Laboratory Capacity for COVID-19 Through Community-Based Strategies.	570300 Client Activities	Questionable cost - The provider incurred expenditures for clothing and dinnerware without justification demonstrating allowability under the ELC grant.	138
2024	M00B4600471	Enhancing Epidemiology and Laboratory Capacity for COVID-19 Through Community-Based Strategies.	570300 Client Activities	Questionable cost - The provider incurred expenditures for clothing purchases from Nordstrom without justification demonstrating allowability under the ELC grant.	471
2024	M00B4600471	Enhancing Epidemiology and Laboratory Capacity for COVID-19 Through Community-Based Strategies.	570300 Client Activities	Questionable cost - The provider incurred expenditures for self-storage rent on behalf of individuals without justification demonstrating allowability under the ELC grant.	180
2024	M00B4600471	Enhancing Epidemiology and Laboratory Capacity for COVID-19 Through Community-Based Strategies.	570300 Client Activities	Questionable cost - The provider incurred expenditures for college fees without justification demonstrating allowability under the ELC grant.	1,029
2024	M00B4600471	Enhancing Epidemiology and Laboratory Capacity for COVID-19 Through Community-Based Strategies.	570300 Client Activities	Questionable cost - The provider made cash payments for groceries; however, receipts lacked sufficient detail, and no justification was provided demonstrating allowability under the ELC grant.	2,505
2024	M00B4600471	Enhancing Epidemiology and Laboratory Capacity for COVID-19 Through Community-Based Strategies.	570300 Client Activities	Questionable cost - The provider incurred expenditures for furniture, clothing, and groceries without justification demonstrating allowability under the ELC grant.	298
2024	M00B4600471	Enhancing Epidemiology and Laboratory Capacity for COVID-19 Through Community-Based Strategies.	570300 Client Activities	Questionable cost - The provider incurred rent expenditures without justification demonstrating allowability under the ELC grant.	1,400
2024	M00B4600471	Enhancing Epidemiology and Laboratory Capacity for COVID-19 Through Community-Based Strategies.	570300 Client Activities	Questionable cost - The provider made cash rent payments without sufficient documentation or justification demonstrating allowability under the ELC grant,	2,000
2024	M00B4600471	Enhancing Epidemiology and Laboratory Capacity for COVID-19 Through Community-Based Strategies.	570300 Client Activities	Questionable cost - The provider made cash payments for Amazon purchases; however, receipts lacked sufficient detail, and no justification was provided demonstrating allowability under the ELC grant.	272
2024	M00B4600471	Enhancing Epidemiology and Laboratory Capacity for COVID-19 Through Community-Based Strategies.	570300 Client Activities	Questionable cost - The provider submitted receipts lacking sufficient detail to determine the nature of Amazon purchases and did not provide justification demonstrating allowability under purpose of the ELC Grants	214
2024	M00B4600471	Enhancing Epidemiology and Laboratory Capacity for COVID-19 Through Community-Based Strategies.	570300 Client Activities	Questionable cost - he provider submitted receipts lacking sufficient detail to determine the nature of Royal Farms purchases and did not provide justification demonstrating allowability under purpose of the ELC Grants	429
2024	M00B4600471	Enhancing Epidemiology and Laboratory Capacity for COVID-19 Through Community-Based Strategies.	570300 Client Activities	Questionable cost - The provider submitted receipts lacking sufficient detail to determine the nature of grocery purchases and did not provide justification demonstrating allowability under purpose of the ELC Grants	500
2024	M00B4600471	Enhancing Epidemiology and Laboratory Capacity for COVID-19 Through Community-Based Strategies.	570300 Client Activities	Questionable cost - payment for VR game for 7 individuals . No justification of spending for purpose of the ELC Grants	367

2024	M00B4600471	Enhancing Epidemiology and Laboratory Capacity for COVID-19 Through Community-Based Strategies.	570300 Client Activities	Questionable cost - payment for Amazon purchases for individuals, No justification of spending for purpose of the ELC Grants	2,360
2024	M00B4600471	Enhancing Epidemiology and Laboratory Capacity for COVID-19 Through Community-Based Strategies.	570300 Client Activities	Questionable cost - payment for Home Depot purchases for individuals, cannot see details receipts No justification of spending for purpose of the ELC Grants	300
2024	M00B4600471	Enhancing Epidemiology and Laboratory Capacity for COVID-19 Through Community-Based Strategies.	570300 Client Activities	Questionable cost - payment for Milrose Grand purchases for individuals, cannot see details receipts No justification of spending for purpose of the ELC Grants	414
2024	M00B4600471	Enhancing Epidemiology and Laboratory Capacity for COVID-19 Through Community-Based Strategies.	570300 Client Activities	Questionable cost - The provider submitted receipts lacking sufficient detail to determine the nature of grocery purchases and did not provide justification demonstrating allowability under purpose of the ELC Grants	800
2024	M00B4600471	Enhancing Epidemiology and Laboratory Capacity for COVID-19 Through Community-Based Strategies.	570300 Client Activities	Questionable cost - The provider submitted receipts lacking sufficient detail to determine the nature of Royal Farms purchases and did not provide justification demonstrating allowability under purpose of the ELC Grants	404
2024	M00B4600471	Enhancing Epidemiology and Laboratory Capacity for COVID-19 Through Community-Based Strategies.	570300 Client Activities	Questionable cost-The provider recorded a payment for monthly emergency childcare services; however, payment was made via Cash App to an individual (Isaiah Muhamm) rather than the invoiced provider. Additionally, no justification was provided demonstrating allowability under the ELC grant.	5,000
2024	M00B4600471	Enhancing Epidemiology and Laboratory Capacity for COVID-19 Through Community-Based Strategies.	570300 Client Activities	The provider did not provide any supporting documentation for the recorded expenditure. Accordingly, the transaction could not be substantiated.	288
2024	M00B4600471	Enhancing Epidemiology and Laboratory Capacity for COVID-19 Through Community-Based Strategies.	570300 Client Activities	Questionable cost - The provider made payments to an individual without maintaining invoices or justification demonstrating allowability under the ELC grant.	377
2024	M00B4600471	Enhancing Epidemiology and Laboratory Capacity for COVID-19 Through Community-Based Strategies.	570300 Client Activities	Questionable cost - the provider submitted receipts lacking sufficient detail to determine the nature of Comcast-related expenditures and did not provide justification demonstrating allowability under purpose of the ELC Grants	105
2024	M00B4600471	Enhancing Epidemiology and Laboratory Capacity for COVID-19 Through Community-Based Strategies.	570300 Client Activities	Questionable cost - The provider submitted receipts lacking sufficient detail to determine the nature of BGE-related expenditures and did not provide justification demonstrating allowability under purpose of the ELC Grants	2,011
2024	M00B4600471	Enhancing Epidemiology and Laboratory Capacity for COVID-19 Through Community-Based Strategies.	570300 Client Activities	The provider did not provide supporting documentation for the recorded expenditure and indicated that the payment was returned. However, no evidence was provided to substantiate the return of funds. As a result, the transaction could not be verified.	9,000
2024	M00B4600471	Enhancing Epidemiology and Laboratory Capacity for COVID-19 Through Community-Based Strategies.	570300 Client Activities	Questionable cost - The provider incurred expenditures for vaccine services without justification demonstrating allowability under the ELC grant.	442
2024	M00B4600471	Enhancing Epidemiology and Laboratory Capacity for COVID-19 Through Community-Based Strategies.	570500-Sales Taxes	Questionable cost - The provider submitted receipts lacking sufficient detail to determine the nature of Walmart purchases and did not provide justification demonstrating allowability under purpose of the ELC Grants	36
2024	M00B4600471	Enhancing Epidemiology and Laboratory Capacity for COVID-19 Through Community-Based Strategies.	570000-MHD MHHD ELC Expenses Other	The provider did not provide supporting documentation for the recorded expenditure and indicated that the payment was returned. However, no evidence was provided to substantiate the return of funds. As a result, the transaction could not be verified.	9,000
2024	M00B4600471	Enhancing Epidemiology and Laboratory Capacity for COVID-19 Through Community-Based Strategies.	570000-MHD MHHD ELC Expenses Other	The provider did not provide supporting documentation for the recorded expenditure and indicated that the payment was returned. However, no evidence was provided to substantiate the return of funds. As a result, the transaction could not be verified.	2,000
Total Cost Disallwances Due to MDH for FY2024					**$ 144,892**

Criteria

The Human Service Agreements Manual (HSAM), Section 2110.05 - Expense states: *"Each expense must be recorded and charged against its appropriate line item and must be substantiated by documentation sufficient to identify the transaction."*

HSAM, Section 2110.07 - Special Conditions states: *"Salary and fringe expenses must be supported by... Maintenance of a time-reporting system for personnel funded by the grant/contract... Consultant costs must be supported by... Maintenance of a time-reporting system... [and] consultants' invoice."*

HSAM Section 2150.09 defines unallowable costs to include: *"Contingency Funds for Reserves... costs not adequately documented... and expenses resulting from transactions with related parties which are greater than the expense to the related party."*

HSAM Section 2010.02 states: *"A financial interest, by any person in a decision-making position... in any part of the services of eligible vendors constitutes, on its face, a conflict of interest."*

Recommendation 3

The OIGH recommends KEYS:

a. **Maintain proper documentation including invoice, contract, proof of payment for all expenditures.**
b. **Ensure all expenditures strictly align with contract program objectives.**
c. **Discontinue using personal payment apps to pay individuals for business services.**
d. **Implement a distribution log for all gift card purchases and disbursements.**
e. **Establish internal controls to reconcile the general ledger with invoices.**
f. **Retain executed contracts and timesheets for all consultants and contractors.**
g. **Formalize a related-party disclosure policy to prevent conflicts of interest.**

Cost disallowances resulting from the finding above total $257,452 due to MDH.

Finding 4 - Inadequate Supporting Documentation and Significant Internal Control Deficiencies for SDOH and ELC Programs.

KEYS failed to provide adequate documentation and made direct payments to recipients.

Analysis

The OIGH review of KEYS's SDOH and ELC Stipends, Apple Pay, and insurance expenditures for the FY2024 disclosed that:

- Numerous expenditures lacked supporting invoices, receipts, or valid proof of payment.
- The provider made multiple direct payments to recipients via Cash App, Apple Cash, and Zelle.
- Significant hotel reservations totaling $3,428 lacked recipient identification and spending justifications.

- Related party transactions involved direct payments to the CEO and CFO without sufficient supporting documentation.
- Expenditures included questionable items such as Universal Studios tickets and unjustified airplane travel.
- Financial records showed inconsistencies where general ledger entries did not agree with provided receipts.
- Many transactions were supported only by mobile phone screenshots rather than official business records.
- The provider failed to provide any documentation for several transactions recorded in the general ledger.
- The provider did not maintain sufficient supporting documentation to substantiate services provided to clients under the Programs. Specifically, OIGH requested documentation evidencing client enrollment or service requests; however, such documentation was not provided for audit review.

These expenditures were recorded in separate general ledger accounts not included in the MDH contract GLs provided during the audit and were only submitted after issuance of the Draft Audit Report. OIGH's review of the subsequently provided GLs and supporting documentation identified inadequate support and significant internal control deficiencies. Accordingly, these expenditures were not accepted for inclusion in the GL and were incorporated into Finding 1 above.

Criteria

The Maryland Department of Health (MDH) Human Services Agreements Manual (HSAM) Section 2110.05 states that *"Each expense must be recorded and charged against its appropriate line item and must be substantiated by documentation sufficient to identify the transaction."*

HSAM Section 2150.09 defines "*Costs not adequately documented*" as unallowable.

The MDH Standard Grant Agreement, Conditions of Award, Section C.1.b, expressly prohibits using award funds to *"Make payments directly to recipients of services, except for reimbursement of reasonable and allowable out-of-pocket expenses."*

Recommendation 4

The OIGH recommends KEYS:

a. Maintain original itemized invoices and receipts for all grant expenditures.
b. Cease making direct payments to service recipients immediately.
c. Ensure all general ledger entries match the supporting documentation exactly.
d. Retain valid proof of payment, such as cancelled checks or bank statements.
e. Document clear justifications for all travel and client-related activities.
f. Implement strict oversight procedures for all related party transactions.
g. Standardize the records retention process to exclude unofficial mobile screenshots.

h. Implement procedures to ensure all client enrollment and service request documentation is properly obtained, maintained, and retained to support services provided under the MDH Programs.

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