Audit Report

Office of the Inspector General for Health

September 2026

OFFICE OF LEGISLATIVE AUDITS

DEPARTMENT OF LEGISLATIVE SERVICES

MARYLAND GENERAL ASSEMBLY

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Victoria L. Gruber
Executive Director

Brian S. Tanen, CPA, CFE
Legislative Auditor

DEPARTMENT OF LEGISLATIVE SERVICES
OFFICE OF LEGISLATIVE AUDITS
MARYLAND GENERAL ASSEMBLY

September 10, 2026

Senator Shelly L. Hettleman, Senate Chair, Joint Audit and Evaluation Committee
Delegate Jared Solomon, House Chair, Joint Audit and Evaluation Committee
Members of Joint Audit and Evaluation Committee
Annapolis, Maryland

Ladies and Gentlemen:

We have conducted a fiscal compliance audit of the Office of the Inspector General for Health (OIGH) for the period beginning July 1, 2022 and ending April 30, 2026. The Office performs audits of local health departments and private providers who receive grant funds from the Maryland Department of Health (MDH) as well as investigating allegations of Medicaid fraud, waste, and abuse.

Our audit disclosed that OIGH should consider publicly disclosing the results of its audits and investigations. Specifically, OIGH issues reports to the audited provider and to MDH but does not make reports available to the public.

OIGH's response to this audit is included as an appendix to this report. We have reviewed the response to our finding and related recommendations, and have concluded that the corrective actions identified are sufficient to address all issues.

We wish to acknowledge the cooperation extended to us during the audit by the OIGH.

Respectfully submitted,

Brian S. Tanen

Brian S. Tanen, CPA, CFE
Legislative Auditor

Background Information

Agency Creation and Responsibilities

Chapter 325, Laws of Maryland 2021, effective July 1, 2022, established the Maryland Office of the Inspector General for Health (OIGH) as an independent unit of State government and transferred certain funding and staff from the then existing Maryland Department of Health (MDH) Office of Inspector General to the new OIGH. OIGH is responsible for investigating allegations of fraud, waste, and abuse of MDH funds and behavior that threatens public safety or demonstrates negligence, incompetence, or malfeasance.

OIGH also conducts audits of the State's 24 local health departments and certain MDH program providers. According to State records, OIGH's fiscal year 2025 expenditures totaled $5.8 million, of which $5.2 million related to salaries and wages (see Figure 1). During the period from June 30, 2023 to June 30, 2025, OIGH had vacancy rates that ranged from 15.4 to 23.1 percent. As of June 30, 2025, approximately 23.1 percent of the total 39 positions were vacant. These vacancies may have contributed, at least in part, to the finding in this report.

Figure 1
OIGH Positions, Expenditures, and Funding Sources

Full-Time Equivalent Positions as of June 30, 2025	
	Positions
Filled	30
Vacant	9
Total	**39**

Fiscal Year 2025 Expenditures	
	Expenditures
Salaries, Wages, and Fringe Benefits	$5,157,874
Technical and Special Fees	314,994
Operating Expenses	359,446
Total	**$5,832,314**

Fiscal Year 2025 Funding Sources	
	Funding
General Fund	$3,372,940
Federal Fund	2,459,374
Total	**$5,832,314**

Source: State financial and personnel records.

Findings and Recommendations

Audits and Investigations (Policy Issue)

Finding 1
The Office of the Inspector General for Health (OIGH) should consider publicly disclosing the results of its audits and investigations.

Analysis
OIGH did not publicly disclose the results of its audits and investigations. The OIGH performs audits of Maryland's Local Health Departments (LHD) and certain private providers that receive grant funds from the Maryland Department of Health (MDH), and also performs investigations of potential recipient and provider fraud in Medicaid and other government programs. According to agency records, OIGH conducted 1,369 investigations and 53 audits during fiscal years

2023 through 2025 that collectively identified $41.9 million for recovery (see Figure 2). A summary of all OIGH audit findings for the most recent audit of each LHD can be found in Exhibit 1 of this report.

Figure 2
OIGH Annual Activity
($ in millions)

Fiscal Year	Audits	Investigations	Recoveries
2023	17	190	$10.2
2024	18	399	5.0
2025	18	780	26.7
Total	**53**	**1,369**	**$41.9**

Source: OIGH annual reports

Our review disclosed that while OIGH reported these results to the applicable entities and MDH, it did not make the reports publicly available. In this regard, we noted that investigations conducted by the Office of the Inspector General for Education (OIGE), which performs similar functions, are publicly available on its website. OIGH management advised that it was developing a website to publish its audit reports and anticipated the website would be public sometime in Fall 2026. OIGH management further advised that certain of its investigations may contain confidential information that cannot be disclosed publicly. However, the OIGE has similar investigations and publishes the reports with confidential information redacted.

Recommendation 1
We recommend that OIGH consider publicly disclosing the results of its audits and investigations to the extent possible.

Audit Scope, Objectives, and Methodology

We have conducted a fiscal compliance audit of the Office of the Inspector General for Health (OIGH) for the period beginning July 1, 2022 and ending April 30, 2026. The audit was conducted in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

As prescribed by the State Government Article, Section 2-1221 of the Annotated Code of Maryland, the objectives of this audit were to examine OIGH's financial transactions, records, and internal control, and to evaluate its compliance with applicable State laws, rules, and regulations.

In planning and conducting our audit, we focused on the major areas of operations based on assessments of significance and risk. The areas addressed by the audit included investigations and external audits conducted by the OIGH.

Our audit did not include certain support services provided to OIGH by the Maryland Department of Health. These support services (such as human resources, payroll activities, and procurement) are included within the scope of our audit of the Maryland Department of Health Office of the Secretary. In addition, our audit did not include an evaluation of internal controls over compliance with federal laws and regulations for financial assistance programs and an assessment of OIGH's compliance with those laws and regulations because the State of Maryland engages an independent accounting firm to annually audit such programs administered by State agencies, including OIGH.

Our assessment of internal controls was based on agency procedures and controls in place at the time of our fieldwork. Our tests of transactions and other auditing procedures were generally focused on the transactions occurring during our audit period of July 1, 2022 to April 30, 2026, but may include transactions before or after this period as we considered necessary to achieve our audit objectives.

To accomplish our audit objectives, our audit procedures included inquiries of appropriate personnel, inspections of documents and records, tests of transactions, and to the extent practicable, observations of OIGH's operations. 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. As a matter of course, we do not normally use sampling in our tests, so unless otherwise specifically indicated, neither statistical nor non-statistical audit sampling was used to select the transactions tested. Therefore, unless sampling is specifically indicated in a finding, the results from any tests conducted or disclosed by us cannot be used to project those results to the entire population from which the test items were selected.

We also performed various data extracts of pertinent information from the State's Financial Management Information System (such as revenue and expenditure data) and the State's Central Payroll Bureau (payroll data). The extracts are performed as part of ongoing internal processes established by the Office of Legislative Audits and were subject to various tests to determine data reliability. We determined that the data extracted from these sources were sufficiently reliable for the purposes the data were used during this audit.

We also extracted data from OIGH's Program Integrity Case Tracking system and Audit Management system for the purpose of testing certain areas, such as investigations and external audits. We performed various tests of the relevant data and determined that the data were sufficiently reliable for the purposes the data were used during this audit. Finally, we performed other auditing procedures that we considered necessary to achieve our audit objectives. The reliability of data used in this report for background or informational purposes was not assessed.

OIGH'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 safeguarding of assets; and compliance with applicable laws, rules, and regulations are achieved. As provided in *Government Auditing Standards*, there are five components of internal control: control environment, risk assessment, control activities, information and communication, and monitoring. Each of the five components, when significant to the audit objectives, and as applicable to OIGH, were considered by us during the course of this audit.

Because of inherent limitations in internal control, errors or fraud may nevertheless occur and not be detected. Also, projections of any evaluation of internal control to future periods are subject to the risk that conditions may change or compliance with policies and procedures may deteriorate.

Our reports are designed to assist the Maryland General Assembly in exercising its legislative oversight function and to provide constructive recommendations for improving State operations. As a result, our reports generally do not address activities we reviewed that are functioning properly.

This report includes a finding which is identified as a "Policy Issue". Such findings represent significant operation or financial issues for which formal criteria may not necessarily exist, and for which management has significant discretion in addressing, but the recommendation represents prudent and or practical actions, which we believe should be implemented by the agency to improve outcomes. Other less significant findings were communicated to OIGH that did not warrant inclusion in this report.

The response from OIGH to our findings and recommendations is included as an appendix to this report. As prescribed in the State Government Article, Section 2-1224 of the Annotated Code of Maryland, we will advise OIGH regarding the results of our review of its response.

Exhibit 1
Summary of All Audit Findings on Local Health Departments
Reported by Office of Inspector General for Health (OIGH)
Most Recent Audit of the 24 Local Health Departments
As of February 2026

Local Health Department	Number of OIGH Reportable Findings by Area					Total OIGH Findings	Number of Repeat Findings	Percentage of Repeat Findings
	*Fiscal Management	Procurement and Sub-Vendors	Information Technology	Equipment	Other			
Allegany County	9	2	1	2	0	**14**	**11**	**79%**
Anne Arundel County	6	4	2	3	1	**16**	**3**	**19%**
Baltimore City	9	3	0	1	3	**16**	**16**	**100%**
Baltimore County	4	4	0	1	2	**11**	**0**	**0%**
Calvert County	3	1	6	1	1	**12**	**5**	**42%**
Caroline County	5	2	6	1	0	**14**	**6**	**43%**
Carroll County	5	0	1	0	1	**7**	**4**	**57%**
Cecil County	7	3	3	2	1	**16**	**11**	**69%**
Charles County	9	4	4	3	0	**20**	**0**	**0%**
Dorchester County	2	0	3	2	0	**7**	**2**	**29%**
Frederick County	1	0	0	2	0	**3**	**0**	**0%**
Garrett County	8	3	6	1	1	**19**	**8**	**42%**
Harford County	6	5	2	3	1	**17**	**5**	**29%**
Howard County	6	2	2	3	1	**14**	**10**	**71%**
Kent County	5	2	1	1	0	**9**	**3**	**33%**
Montgomery County	5	1	1	3	1	**11**	**9**	**82%**
Prince George's County	7	1	1	2	1	**12**	**12**	**100%**
Queen Anne's County	3	2	1	2	0	**8**	**0**	**0%**
Somerset County	5	2	5	4	0	**16**	**5**	**31%**
St. Mary's County	9	2	3	2	1	**17**	**8**	**47%**
Talbot County	7	4	7	2	0	**20**	**5**	**25%**
Washington County	5	5	5	2	1	**18**	**3**	**17%**
Wicomico County	1	4	1	2	0	**8**	**0**	**0%**
Worcester County	6	3	0	2	1	**12**	**8**	**67%**
Total	**133**	**59**	**61**	**47**	**17**	**317**	**134**	**42%**

Source: OIGH Audit Reports
* Fiscal management includes findings related to accounts receivable, cash receipts, banking, expenditures, and payroll.

Maryland
OFFICE OF THE INSPECTOR GENERAL FOR HEALTH

Wes Moore, Governor · Aruna Miller, Lt. Governor · Shelly Marie Martin, Inspector General

September 9, 2026

Brian S. Tanen
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Baltimore, Maryland 21201

Re: OIGH 2026 Audit - response

Dear Mr. Tannen,

Enclosed is the OIGH response to the 2026 final audit report. Please let me know if you have any questions.

Very truly yours,

Shelly Marie Martin
Inspector General

Office of the Inspector General for Health

Agency Response Form

Audits and Investigations (Policy Issue)

Finding 1 **The Office of the Inspector General for Health (OIGH) should consider publicly disclosing the results of its audits and investigations.**

We recommend that OIGH consider publicly disclosing the results of its audits and investigations to the extent possible.

Agency Response			
Analysis			
Please provide additional comments as deemed necessary.	Reviews of MDH grantees result in formal audit reports, which are publicly available upon request. These reports are similar to those issued by OIGE. DOIT has created a website for OIGH, and these reports are now available on-line on the website. OIGH reviews of providers suspected of submitting improper claims for reimbursement to the Medicaid program or persons allegedly improperly receiving benefits are not appropriate for general publication. These investigations do not result in formal audit reports. All these investigations involve protected personal information and/or protected health information that is required to be kept confidential by multiple federal and State laws. Some of these investigations are referred to law enforcement agencies to be considered for criminal or civil prosecution. Publication of these investigations could jeopardize a confidential law enforcement investigation or run afoul of rules regarding pre-trial publicity of pending cases. OIGE does not engage in investigations similar to these investigations. Both DHS and MDH conduct similar investigations, and neither make their reports public. Persons seeking information about these investigations may submit a request under the Maryland Public Information Act for specific information so that OIGH can determine what, if any, information is properly disclosable and ensure that all confidential information is properly redacted.		
Recommendation 1	Agree	**Estimated Completion Date:**	N/A
Please provide details of corrective action or explain disagreement.	DOIT has created a website for OIGH, and external audit reports are now available on-line on the website.		

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