

# AUDIT REPORT

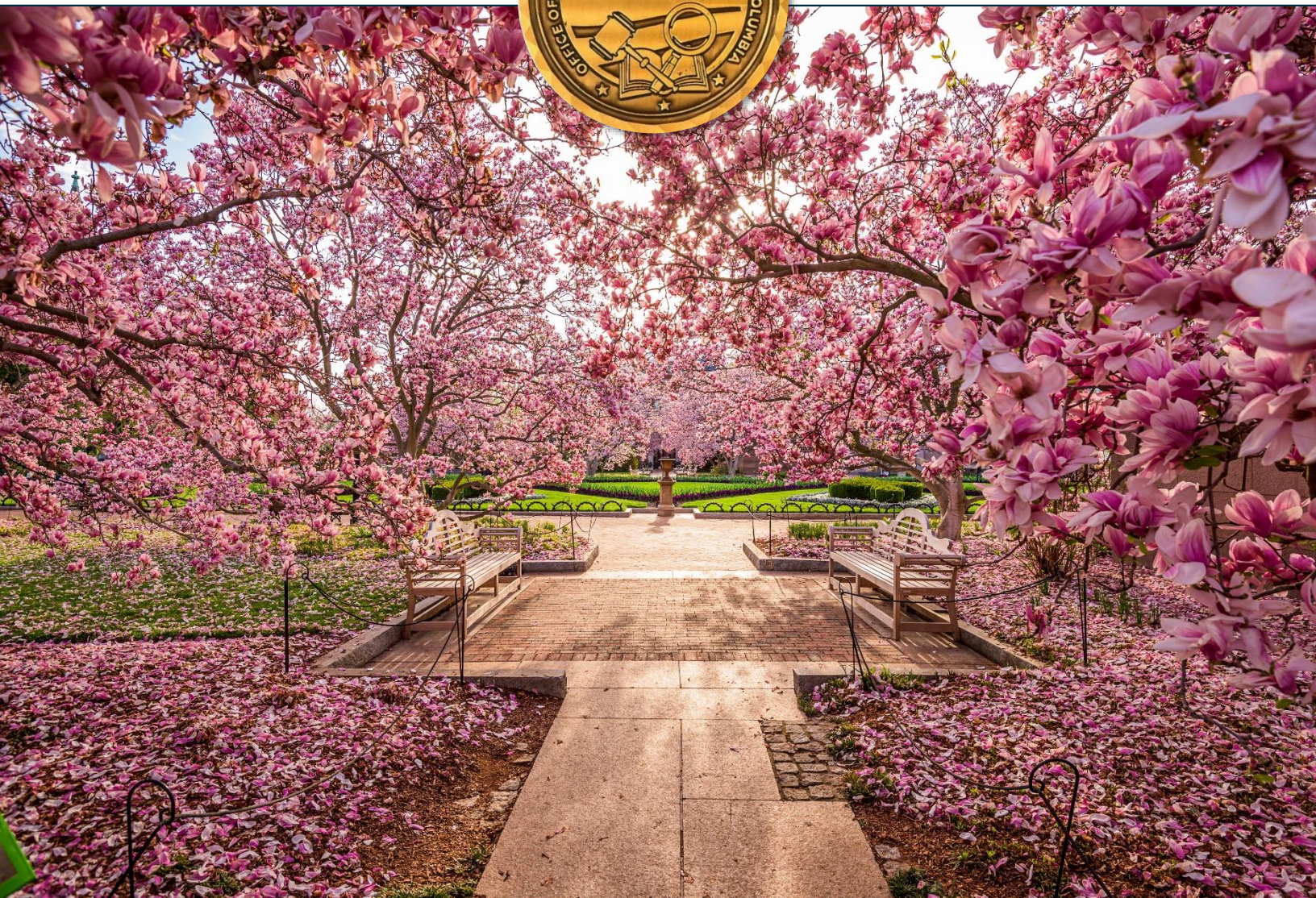
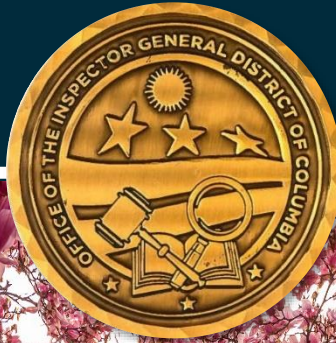
## Not-for-Profit Hospital Corporation

Management Recommendations

Fiscal Year 2025

OIG No. 25-1-08HW(a)

February 4, 2026



**DANIEL W. LUCAS**  
INSPECTOR GENERAL

## OUR MISSION

We independently audit, inspect, and investigate matters pertaining to the District of Columbia government in order to:

- prevent and detect corruption, mismanagement, waste, fraud, and abuse;
- promote economy, efficiency, effectiveness, and accountability;
- inform stakeholders about issues relating to District programs and operations; and
- recommend and track the implementation of corrective actions.



## OUR VISION

We strive to be a world-class Office of the Inspector General that is customer focused and sets the standard for oversight excellence!

## OUR VALUES

**Accountability:** We recognize that our duty extends beyond oversight; it encompasses responsibility. By holding ourselves accountable, we ensure that every action we take contributes to the greater good of the District.

**Continuous Improvement:** We view challenges not as obstacles, but as opportunities for growth. Our commitment to continuous improvement drives us to evolve, adapt, and enhance our practices.

**Excellence:** Mediocrity has no place in our lexicon. We strive for excellence in every facet of our work.

**Integrity:** Our integrity is non-negotiable. We act with honesty, transparency, and unwavering ethics. Upholding the public's trust demands nothing less.

**Professionalism:** As stewards of oversight, we maintain the utmost professionalism. Our interactions, decisions, and conduct exemplify the dignity of our role.

**Transparency:** Sunlight is our ally. Transparency illuminates our processes, decisions, and outcomes. By sharing information openly, we empower stakeholders, promote understanding, and reinforce our commitment to accountability.

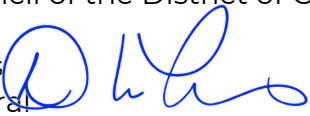


DISTRICT OF COLUMBIA | OFFICE OF THE INSPECTOR GENERAL

## MEMORANDUM

To: The Honorable Muriel Bowser  
Mayor of the District of Columbia

The Honorable Phil Mendelson  
Chairman, Council of the District of Columbia

From: Daniel W. Lucas   
Inspector General

Date: February 4, 2026

Subject: **Not-for-Profit Hospital Corporation Management  
Recommendations | [OIG No. 25-1-08HW\(a\)](#)**

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This memorandum transmits the final report *Not-for-Profit Hospital Corporation Management Recommendations* for fiscal year 2025. CliftonLarsonAllen LLP (CLA) provided this report to the Office of the Inspector General as part of the annual audit of the District of Columbia's general-purpose financial statements for fiscal year 2025.

On January 5, 2026, CLA issued a management letter noting a control deficiency discovered during the audit. CLA provided one recommendation to enhance the internal control over financial reporting.

Should you have questions or concerns, please contact me or Dr. Slemo Warigon, Assistant Inspector General for Audits, at (202) 792-5684.



Management of the  
District of Columbia Not-for-Profit Hospital Corporation  
Washington, D.C.

In planning and performing our audit of the financial statements of the District of Columbia Not-for-Profit Hospital Corporation, commonly known as United Medical Center ("the Medical Center"), a component unit of the Government of the District of Columbia, as of and for the year ended September 30, 2025, in accordance with auditing standards generally accepted in the United States of America, we considered the Medical Center's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Medical Center's internal control. Accordingly, we do not express an opinion on the effectiveness of the Medical Center's internal control.

However, during our audit we became aware of deficiencies in internal control other than significant deficiencies and material weaknesses and other matters that are opportunities to strengthen your internal control and improve the efficiency of your operations. Our comments and suggestions regarding those matters are summarized below. We previously provided a written communication dated January 5, 2026, on the Medical Center's internal control. This letter does not affect our report on the financial statements dated January 5, 2026, nor our internal control communication dated January 5, 2026.

We will review the status of these comments during our next audit engagement with the Office of Financial Operations and Systems. We have already discussed many of these comments and suggestions with various entity personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

Management's written response to the below deficiency has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not provide any assurance on the response.

This communication is intended solely for the information and use of management, the Mayor and Members of the Council of the Government of the District of Columbia, the Office of the Chief Financial Officer, the Inspector General of the Government of the District of Columbia, and others within the Medical Center, and is not intended to be, and should not be, used by anyone other than these specified parties.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Arlington, Virginia  
January 5, 2026

## **CURRENT YEAR FINDINGS AND RECOMMENDATIONS**

### **UMC 2025-01 Outstanding Checks Not Escheated After Two Years**

During our testing we noted as of September 30, 2025, United Medical Center had \$720,573 in outstanding checks that were more than two years old and had not been escheated. Management indicated that the outstanding checks had not been escheated due to delays in the review and processing of aged items.

Section 41-154.01-03 of the Code of the District of Columbia requires any holder of property presumed abandoned and subject to the custody of the Administrator to report details of that property to the Administrator. Except as provided in subsection (b) and subject to subsection (c), the report under § 41-154.01 must be filed before November 1 of each year and cover the 12 months preceding July 1 of that year. Based on discussions with the client, outstanding checks should be escheated after two years of being outstanding, in accordance with District policy and unclaimed property laws.

Failure to escheat outstanding checks in a timely manner may result in non-compliance with District regulations and unclaimed property laws, and could expose the organization to penalties or reputational risk.

Management indicated that the outstanding checks had not been escheated due to delays in the review and processing of aged items

#### **Recommendation:**

We recommend that United Medical Center implement procedures to ensure that all outstanding checks older than two years are reviewed and escheated in accordance with District requirements and unclaimed property laws.

By implementing these procedures, the Medical Center can help mitigate the risks associated with outstanding checks and maintain a secure and compliant operational environment.

#### **Management Response:**

Management concurs with the Notification of Finding and Recommendation.

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## REPORT WASTE, FRAUD, ABUSE, AND MISMANAGEMENT

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