



Seattle



King County

April 22, 2026

Kelly Kinnison, Ph.D., Chief Executive Officer
King County Regional Homelessness Authority
400 Yesler Way, Suite 600
Seattle, WA 98104
Email: kelly.kinnison@kcrha.org

RE: Forensic Evaluation Findings and Next Steps

Dear Dr. Kinnison:

The City of Seattle Human Services Department (HSD), in coordination with the King County Department of Community and Human Services (DCHS), has completed its review of the **Forensic Evaluation of the King County Regional Homelessness Authority (KCRHA)** dated **April 17, 2026**. The evaluation was conducted by Clark Nuber and the full report is enclosed with this letter. The evaluation covered all key areas of financial oversight, including cash management, internal controls, governance, accounting systems, contributed funds, and compliance with federal, state, and local requirements.

The evaluation details numerous findings going back to KCRHA's inception through July 2025. The City of Seattle and King County are committed to strong financial stewardship of public funds, take the findings outlined in the report seriously, and expect KCRHA to act swiftly to address identified challenges.

By May 8, 2026, KCRHA must provide a written response to the funders (HSD and DCHS) that includes how KCRHA will address the following high-risk findings in the evaluation. The written response must include the following:

1. A strategy with a detailed timeline outlining how the KCRHA is going to address issues related to unreconcilable and unrecoverable cash including the growing interest of \$1.26M in the KC investment pool, approximately \$8M that has not been fully matched against KCRHA financial records, and \$4.26M in administrative overspend.
2. Details of immediate action KCRHA has taken and is taking to:
 - a. **Ensure appropriate approvals for employee reimbursements** (e.g., documented leadership pre-approval and complete supporting documentation in a centralized location).

- b. **Ensure sufficient approvals and documentation on gift cards** (e.g., documented leadership pre-approval and gift card logs containing detailed distribution information).

Potentially unallowable or inappropriate employee reimbursements have been paid that were not reviewed or authorized. Additionally, given the cash-equivalent nature of gift cards, incomplete or inconsistent tracking and documentation increases exposure to potential fraud, waste, and abuse.

3. Details of immediate action KCRHA has taken and is taking to:

- a. **Ensure segregation of duties for accounting and expenditure permissions** (e.g., identify positions and persons responsible for each step in the expenditure approval and invoicing process).

Current permission controls do not prevent the same individual from going into the accounting system and controlling multiple stages of a single transaction.

4. Details of immediate action KCRHA has taken and is taking to:

- a. **Ensure strong authorization, receipt, and review controls for purchase cards** (e.g. approval process for obtaining a card, approval process for purchases, not sharing cards, and the need to obtain strong backup documentation for all purchases).

Purchase cards represent access to cash and are susceptible to abuse; purchase cards require strong authorization, receipt, and review controls to decrease exposure to potential fraud, waste, and abuse.

Additionally, by May 23 2026, KCRHA must provide a written corrective action plan addressing each of the additional findings (not outlined above), including implementation timelines.

During the next 30 days, the City and County will coordinate to ensure sufficient accounting and oversight controls are in place within KCRHA. This may include actions that:

1. Improve the quality and clarity of accounting records (e.g., addressing invoicing issues that lead to rejection and reconstruction of historical accounting records);
2. Address inconsistencies in financial and budget management and financial reporting;
and
3. Address administrative budget overspend.

In addition to the expectations mentioned above, the City and County recommend the following actions to the KCRHA Governing Board and would like to have the support of KCRHA management:

1. Establish a financial oversight committee that meets biweekly and reports to the Governing Board monthly.
2. Implement an immediate hiring freeze within KCRHA with a documented exception process.
3. Implement an immediate freeze on discretionary spending until the freeze is released by the Board.
4. Pause any new agreements that would increase costs or liability to the KCRHA.

The City and County remain committed to addressing homelessness in the region. With the changing funding landscape, it is more important than ever to have clear fiscal controls and accountability for taxpayer funds. We believe KCRHA agrees with this sentiment and will work with us to meet the expectations identified above and support the recommended actions.

Thank you for your commitment to serving the community. If you have any questions, please contact chris.klaeyesen@seattle.gov and jelani.jackson@kingcounty.gov.

Sincerely,



Katie B. Wilson
City of Seattle Mayor



Girmay Zahilay
King County Executive

Enclosure: Forensic Evaluation Report

Cc:
KCRHA Governing Board Members
Tiffany Brooks, KCRHA Interim Chief Business Officer