

# Legislative auditor: Minnesota DHS employees backdated, created documentation in behavioral health grant program

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Minnesota's Department of Human Services (DHS) commissioner said the agency is investigating after the legislative auditor found employees in the agency's Behavioral Health Administration backdated or created documentation during an audit that focused on the management of taxpayer-funded grants.

The revelation came during a nearly three-hour hearing on Monday when Judy Randall, the legislative auditor, told lawmakers that her staff found multiple instances of what appeared to be an attempt to fabricate documentation that didn't previously exist.

Randall described it as a "systemic effort" that she said she'd never seen in nearly three decades with the Office of the Legislative Auditor.

"We have never been able to prove it, to document it, and we did in this case," Randall said.

Randall was at the state capitol on Tuesday to present lawmakers with an [audit of DHS's Behavioral Health Administration Grants](#). The audit found pervasive and continued issues in the management of hundreds of millions of dollars in grants.

The taxpayer money is awarded to organizations across Minnesota to help address the prevention and treatment of mental health and substance use disorders.

The audit found multiple instances of "inadequate internal control," OLA officials said, adding that the agency overpaid at least two grant recipients and provided funding to some organizations before signing grant agreements with them.

In one instance, auditors found an organization that received \$672,647.78 for a single month of work but could not provide auditors with "detailed invoices or program participant data" to support the work.

The total grant agreement, according to OLA, was for \$1.6 million.

Lawmakers on both sides of the aisle appeared deeply troubled by the revelation that department staff backdated or created documents that didn't exist before the auditor's probe.

"Today's shocking report by the Legislative Auditor shows a culture of pervasive fraud, negligence, and deception. We need answers immediately about the apparent backdating and potential falsification of documents found during the audit," House

Speaker Lisa Demuth, R-Cold Spring, said. "This proves once again that those running our programs expect no repercussions or accountability from Governor Walz or the Democrats in power, even when they fabricate documents and ignore basic procedures. It's time to clean house and restore honesty and accountability in state agencies."

Acting DHS Commissioner Shireen Gandhi told lawmakers that she was shocked to learn of the incident and that the agency is now tracing how it happened.

"If somebody directed staff to falsify documents, it is absolutely wrong, not OK. It is ... It's an HR matter for sure, it may be more than that as Auditor Randall discussed, and DHS is conducting a full and thorough investigation," Commissioner Gandhi said.

Commissioner Gandhi did not provide further details on the investigation, and it remains unclear if anyone has been disciplined or fired.