



OSIG INFO

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What is the Office of the State Inspector General?

Established in 2012 by General Assembly action, the Office of the State Inspector General (OSIG) serves as a catalyst for positive change by facilitating good stewardship of resources; deterring fraud, waste, abuse and corruption; advocating efficiency and effectiveness; and promoting integrity and ethical conduct — on behalf of the citizens of the Commonwealth.

Title 2.2 [Chapter 3.2](#) (§§ 2.2-307 through 2.2-322) of the Code of Virginia outlines the authority, responsibilities, powers and duties of OSIG including:

- Investigating complaints alleging fraud, waste, abuse or corruption by an executive branch state agency, non-state agency or officers, employees or contractors of those agencies;
- Administering the Fraud and Abuse Whistle Blower Reward Fund;
- Overseeing the State Fraud, Waste and Abuse Hotline;
- Conducting performance reviews of state agencies;
- Providing training and coordination of standards for the state's internal audit functions;
- Performing inspections and conducting reviews of Behavioral Health and Developmental Services facilities and programs; and
- Reviewing operations of the Virginia Tobacco Region Revitalization Commission.

Who leads OSIG?

OSIG is headed by a State Inspector General who is appointed by the governor for a four-year term.

Acting State Inspector General Michael Westfall was named to the position in February 2017. He joined OSIG in January 2015 as Deputy Inspector General.

What is fraud, waste and abuse?

Fraud is defined as the intentional deception by an individual(s) or organization(s), which could result in a benefit to themselves, others or the Commonwealth, or could cause detriment to others or the Commonwealth. Fraud includes false representation of fact (whether by words or conduct), making false or misleading statements, or by the concealment of something that should have

been disclosed, which deceives and is intended to deceive.

Waste is defined as the thoughtless or careless expenditure, consumption, mismanagement, use or squandering of Commonwealth resources to the detriment (or potential detriment) of the Commonwealth.

Abuse is defined as excessive or improper use of a resource, or to use an item or resource in a manner contrary to the natural or legal purpose. Examples include the intentional destruction, diversion, manipulation, misapplication, maltreatment or misuse of Commonwealth resources; or extravagant or excessive use of one's position or authority. Abuse can occur in financial or non-financial settings.

Some examples include:

- Personal use of state-owned vehicles;
- Personal use of state telephones, including long distance, personal calls;
- Personal use of state-owned supplies or equipment;
- Violations of state procurement policy;
- Excessive or unnecessary purchases;
- Falsification of official documents (timesheets, leave reports, travel vouchers, etc.);
- Contract fraud;
- Conducting personal business on state time;
- Inappropriate expenditures; and
- Embezzlement.

What entities can OSIG investigate?

OSIG has the authority to investigate executive branch state agencies, certain non-state agencies, as well as officers and employees of those agencies. A state agency is any agency, institution, board, bureau, commission, council or instrumentality of state government in the executive branch listed in the Appropriation Act.

A non-state agency is any public or private foundation, authority, institute, museum, corporation or similar organization that is not a unit of state government or a political subdivision of the Commonwealth, but is wholly or principally supported by state funds.

How is OSIG organized?

In addition to administrative staff responsible for the operations of the agency, including communications, OSIG has four divisions:

- Administrative Services
- Investigations and Law Enforcement
- Performance Review Services
- Behavioral Health and Developmental Services

Administrative Services

Through Administrative Services, OSIG oversees:

- State Fraud, Waste and Abuse Hotline
- Fraud and Abuse Whistle Blower Protection Act
- Internal Audit and Training

State Fraud, Waste and Abuse Hotline

The toll-free State Fraud, Waste and Abuse Hotline — **(800) 723-1615** — provides an anonymous and confidential method for state employees and citizens to report suspected fraud, waste, abuse, or corruption in executive branch state agencies and institutions, such as:

- Illegal or fraudulent conduct
- Waste of state funds
- Abuse of state property or resources
- Gross mismanagement
- Gross neglect of duty

Allegations received through the hotline are reviewed to determine their validity, and OSIG oversees investigations with various state agencies. Upon completion of an investigation, OSIG issues a report to the appropriate authorities.

Fraud and Abuse Whistle Blower Protection Act

The Fraud and Abuse Whistle Blower Protection Act protects those who make a report against retaliation, and the Fraud and Abuse Whistle Blower Reward Fund provides a way to compensate citizens for reporting allegations leading to the recovery of assets. The Whistle Blower Reward Fund is available solely to provide monetary rewards to state employees and Virginia citizens who have disclosed information of wrongdoing or abuse under the Fraud and Abuse Whistle Blower Protection Act that results in a recovery of at least \$5,000. The amount of the reward is up to 10 percent of actual sums recovered by the Commonwealth as a result of the disclosed wrongdoing or abuse. OSIG administers the Whistle Blower Protection Act and defines the regulations for its operation.

Internal Audit and Training

Internal Audit and Training is responsible for:

- Providing oversight, advisory and standard setting capacity to state agency internal audit programs.

- Studying programs and making uniform standards recommendations for Virginia's internal audit programs.
- Assessing existing internal audit programs and helping develop and maintain future internal audit programs to protect and manage Virginia's assets.
- Providing training opportunities to internal auditors.
- Providing counsel and guidance, as requested, to existing agency internal audit programs.

Investigations & Law Enforcement

The Investigations and Law Enforcement Division investigates:

- Management and operations of state agencies or non-state agencies to determine whether acts of fraud, waste, abuse, corruption or criminal activity have been committed or are being committed by state officers, employees, contractors or any officers or employees of a non-state agency.
- Allegations of fraudulent, illegal, or inappropriate activities concerning distributions from the Tobacco Region Revitalization Commission.

In addition, the division is charged with detecting and taking actions to prevent fraud, waste and abuse.

Performance Review Services

The Performance Review Services Division is responsible for:

- Conducting performance reviews of state executive branch agencies to ascertain that appropriated sums are used for their intended purpose.
- Evaluating the efficiency, effectiveness and economy of agency programs and operations.
- Reviewing the operations of the Tobacco Region Revitalization Commission.

Behavioral Health & Developmental Services

The Behavioral Health and Developmental Services Division is responsible for:

- Conducting annual, unannounced inspections of state facilities operated by the Department of Behavioral Health and Developmental Services.
- Inspecting, monitoring, and reviewing the quality of services at the state-operated facilities and the more than 1200 licensed providers of behavioral health, substance abuse, and intellectual and/or developmental services.
- Keeping the General Assembly and the Joint Commission on Health Care fully informed of significant problems.
- Investigating specific complaints of abuse, neglect or inadequate care.