



# 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 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 and confirmed by the General Assembly for a four-year term. State Inspector General Michael C. Westfall was named to the position in April 2018. He joined OSIG in January 2015 as Deputy Inspector General and served as Acting State Inspector General from February 2017 to April 2018.

## ***What is fraud, waste and abuse?***

Fraud is defined as intentional deception by an individual(s) or organization(s) that could result in a benefit to themselves or others, or cause detriment to others or the Commonwealth. Fraud includes false representation of fact (whether by words or conduct), false or misleading statements, or 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 use of an item or resource in a manner contrary to its natural or legal purpose. Examples include the intentional destruction, diversion, manipulation, misapplication, maltreatment or misuse of Commonwealth resources; extravagant or excessive use of one's position or authority; and violations of state policy. Abuse can occur in financial or non-financial settings.

Specific examples of fraud, waste and abuse 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; and
- Embezzlement.

## ***What is OSIG's jurisdiction?***

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 Appropriations 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 staff responsible for the operations of the agency, OSIG has four divisions:

- Administrative Services;
- Investigations and Law Enforcement;
- Performance Audit Services; and
- Behavioral Health and Developmental Services.

#### **Administrative Services**

Through Administrative Services, OSIG oversees:

- The State Fraud, Waste and Abuse Hotline;
- The 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** — is an anonymous and confidential resource for state employees and citizens to report suspected instances of fraud, waste, abuse or corruption in executive branch state agencies and institutions of higher education, such as:

- Illegal or fraudulent conduct;
- Waste of state funds;
- Abuse of state property or resources;
- Gross mismanagement;
- Gross neglect of duty; and
- Violations of state policy.

Allegations received through the hotline are reviewed for validity; resulting investigations are overseen by OSIG with relevant 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 shelters those who report wrongdoing from retaliation, and the Fraud and Abuse Whistle Blower Reward Fund (Fund) provides compensation to citizens who report allegations that lead to recovery of assets. The Fund is available solely to provide monetary rewards to state employees and Virginia citizens who have disclosed information of wrongdoing or abuse that results in a recovery of at least \$5,000. The amount of the reward is up to 10 percent of the actual sum recovered by the Commonwealth as a result of the disclosed wrongdoing or abuse. OSIG administers the Fund and Whistle Blower Protection Act and defines the regulations for their operation.

#### ***Internal Audit Oversight and Training Services***

The Internal Audit Oversight and Training Services section is responsible for:

- Providing oversight, counsel and guidance to state agency internal audit programs;

- Providing training opportunities for internal auditors;
- Studying programs and setting uniform standards for agency internal audit programs; and
- Assessing existing internal audit programs and helping to develop and maintain future internal audit programs that protect and manage Virginia's assets.

#### **Investigations & Law Enforcement Services**

The Investigations and Law Enforcement Services Division is responsible for:

- Investigating management and operations of state agencies or non-state agencies to determine if acts of fraud, waste, abuse, corruption or criminal activity have been committed by officers, employees or contractors of those agencies;
- Investigating allegations of fraudulent, illegal or inappropriate activities concerning distributions from the Tobacco Region Revitalization Commission; and
- Detecting and taking actions to prevent fraud, waste and abuse.

#### **Performance Audit Services**

The Performance Audit Services Division is responsible for:

- Conducting performance audits 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; and
- Conducting performance audits in accordance with Generally Accepted Government Auditing Standards (GAGAS) as outlined by the U.S. Government Accountability Office (GAO).

#### **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 state-operated facilities, 40 community service boards, and the more than 1,200 licensed providers of behavioral health, substance abuse and intellectual and/or developmental disability services;
- Informing the General Assembly and Joint Commission on Health Care of significant issues; and
- Under a separate mandate, investigating specific complaints of abuse, neglect or inadequate care.