STATE OF RHODE ISLAND
DEPARTMENT OF ADMINISTRATION

OFFICE OF MANAGEMENT & BUDGET

Office of Internal Audit and Program Integrity

One Capitol Hill
Providence, RI 02908-5890

Office: (401) 574-8170
Fax: (401) 574-9255

April 29, 2026

The Honorable Marvin L. Abney
Chairperson
House Committee on Finance
82 Smith Street
Providence, RI 02903

Re: House Bill 7590 – Relating to State Affairs and Government – Inspector General

Dear Chairperson Abney:

Thank you for providing the Office of Management and Budget (OMB) the opportunity to submit this letter of opposition in response to House Bill No. 7590.

The responsibilities proposed for a new Inspector General agency appear to duplicate work already being performed by OMB's Office of Internal Audit and Program Integrity (OIAPI), which would cease to operate as a result of this bill.

OIAPI was established and granted authority under Rhode Island General Law (R.I.G.L. § 35-7.1) to audit state agency operations and ensure the appropriate use of taxpayer dollars. OIAPI is authorized to conduct audits of any state department, state agency, or private entity that is a recipient of state funding or state grants. OIAPI conducts investigations, as well as provides management, advisory, and consulting services to agencies. Additionally, OIAPI is charged with evaluating the efficiency of operations and internal controls, and preventing and detecting fraud, waste, abuse, or mismanagement in the expenditure of public funds — whether federal, state, or local – that are related to any and all state programs and operations, as well as any goods, services, or construction procured by public bodies. When deemed necessary or expedient by OIAPI, audits may be made relative to the financial affairs or the economy and efficiency of management of each department, agency, or public body. In accordance with a risk-based evaluation, OIAPI determines which audits are performed.

The dissolution of OIAPI would have serious short- and long-term consequences limiting the State's effectiveness in carrying out these critical functions. Standing up a state agency is a long and arduous process. If this bill were enacted, there would be a significant gap in oversight while the office was being established. Further, the legislation as written immediately disbands OIAPI, leaving countless audits and oversight actions in limbo. Additionally, the dissolution of OIAPI would mean the loss of key institutational knowledge and expertise of the approximately 20 employees who consistently produce high-quality audits of state entity operations and cases of suspected fraud.

During Fiscal Year 2025, the OIAPI Performance Audit and OIAPI Continuous Audit units conducted 13 audits of state and quasi-state agencies. As of the end of the third quarter of Fiscal Year 2026, these units have completed six audits and are on pace to complete as many as 12 audits total for the current fiscal year.

Furthermore, as of the end of the third quarter of Fiscal Year 2026, the OIAPI Fraud Detection and Prevention Unit reviewed 481 fraud allegations. The Fraud Unit pursued fraud through a civil process in a total of 64 cases, resulting in either the courts or the Department of Human Services administrative division ordering repayment of a total of $452,700 due to fraudulent activity. The Fraud Unit also pursues cases through the criminal system; current pending criminal cases are estimated to result in overpayments in excess of $3.4 million.

The enacted Fiscal Year 2026 Budget included several provisions to enhance the State's ability to identify and prevent fraud, waste, and abuse in state-administered programs. Among the enhancements were expanded authority for OIAPI to employ during the conduct of fraud investigations and program integrity efforts, and two full-time equivalents (FTEs) for additional investigations and data analysis.

As many of the roles and responsibilities of the proposed Office of the Inspector General are already performed by OIAPI and other units of government, we recommend continued investment in state efforts to detect and prevent waste, fraud, and abuse rather than the establishment of a new office.

All OIAPI audits, quarterly, and annual reports are public documents and can be found at https://omb.ri.gov/internal-audit. If you require further clarification or have any questions, please contact me at your convenience at Andrew.M.Manca@audits.ri.gov or (401) 574-8170.

Sincerely,

Andrew Manca Digitally signed by Andrew Manca
Date: 2026.04.29 10:25:41 -04'00'

Andrew Manca, Chief
Office of Internal Audit and Program Integrity

cc: The Honorable Members of the House Committee on Finance
The Honorable George A. Nardone
Nicole McCarty, Esq., Chief Legal Counsel to the Speaker of the House
Christopher O'Brien, Committee Clerk