



# OFFICE OF MANAGEMENT & BUDGET

## Office of Internal Audit

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February 14, 2023

The Honorable Representative Evan P. Shanley, Chairperson  
House Committee on State Government and Elections  
State House  
82 Smith Street  
Providence, Rhode Island 02903

**RE: House Bill No. 5303 – RELATING TO STATE AFFAIRS AND GOVERNMENT – INSPECTOR GENERAL**

Dear Chairperson Shanley:

Thank you for providing the Department of Administration with the opportunity to comment on House Bill No. 5303. This bill establishes the Office of Inspector General, which would be charged with preventing fraud and mismanagement of public funds—regardless of their source—and would oversee all state programs and operations.

The responsibilities proposed for this new agency in House Bill No. 5303 appear to duplicate work already being performed by other state agencies that have both audit and investigative functions: the Office of Management and Budget, Office of Internal Audit (OIA) Fraud Detection and Prevention Unit; Executive Office of Health and Human Services, Program Integrity Unit; the Department of Labor and Training, Misclassification Workforce; and the Attorney General Medicaid Fraud Unit. These agencies have been working collaboratively to engage in an enterprise view and investigative approach to fraud, waste and abuse of public funds.

Additionally, the OIA was established and has its authority provided under RIGL § 35-7.1. The OIA conducts audits of any state department, state agency, or private entity that is a recipient of state funding, or state grants, as deemed necessary or expedient by the OIA. Audits may be made relative to financial affairs, or the economy and efficiency of management of each department and agency. The OIA also conducts investigations, management advisory, and consulting services.

During 2022 the OIA Fraud Unit has reviewed 734 fraud allegations. The Fraud Unit pursued fraud through a civil process totaling 89 cases, resulting in a total overpayment of \$151,363 due to fraudulent activity. The team also pursues cases through the criminal system. Our current pending criminal cases are estimated to result in overpayments in excess of \$1,000,000.

If you require further clarification or have any questions, please contact me at [Mike.Sprague@audits.ri.gov](mailto:Mike.Sprague@audits.ri.gov) or 401-574-8170.

Sincerely,

Michael Sprague, CIA, Chief  
Office of Internal Audit

cc: The Honorable Representative George Nardone  
The Honorable Members of the House Committee on State Government and Elections  
Nicole McCarty, Chief Legal Counsel, Speaker's Office