

# Inspector General for Rhode Island

OCG's legislation for a RI Inspector General was prepared in 2001 with the help of John Gudavich, a Retired Associate Inspector General for Investigations, Office of Inspector General, in Washington, D.C. and also an OCG board member. John has 28 years experience specializing in white color crime.

This legislation was modeled after the general laws of Massachusetts, the first state to establish an Inspector General Office in 1981. Since that time, at least eighteen other states and Washington, D.C. have established such offices. *Governing Magazine*, October 2005, states, "there are hundreds of inspectors general currently operating at the state and local levels, and more are being added every year.

In 2004, the Rhode Island House and Senate each passed a bill for a study commission for an IG. However, neither bill was heard in the other chamber.

## Features of the proposed IG legislation

1. **Purpose.** The Office of Inspector General would be an independent administrative agency charged with detecting and preventing fraud, waste, abuse, and mismanagement in the expenditure of public funds by state or local government. A primary focus of the IG will be procurement of materials and services, particularly for major construction projects.
2. **Appointment.** The IG would be appointed by a majority vote of the Governor, the Attorney General and the General Treasurer. The selection process will include one public forum.
3. **Term of Office.** The IG would be appointed for one five-year term to begin July 1 and end June 30 five years later, so as to not coincide with any election cycle. There would be no reappointments. This is intended to insulate the IG from political influence.
4. **Removal from Office.** The IG may be removed for cause by a unanimous vote of the Governor, Lieutenant Governor and the Secretary of State. The IG would have 10 days to submit a written appeal, after which a vote of 2/3 of the senate will be required to dismiss the IG.
5. **Function.** The IG would supervise, coordinate and/or conduct criminal, civil, administrative and audit investigations and inspections of oversight reviews. The IG would be both proactive and reactive. The IG would review statutes and regulations relating to programs and operations and would make recommendations concerning the effect of such statutes and regulations on the prevention and detection of fraud, waste and abuse. The IG would also recommend policies which will assist in the prevention or detection of fraud, waste, abuse or mismanagement.
6. **Subpoenas and Prosecution.** The IG would have subpoena power, as have Inspectors General in many other states, including Massachusetts

**Savings by Inspector General Offices** -- Each year OCG testifies about monies recovered by other state IG's, usually more than the cost of running the office.

**Jurisdiction**—Some states' IGs have jurisdiction over all branches of state and municipal government, others are limited to the executive branches of state government or to a specific area of government. Many cities and counties also have an Inspector General Office.

## **Comparison of an Inspector General with the Attorney General, State Bureau of Audits, Auditor General and the Ethics Commission**

None of the above mentioned agencies have the primary purpose to detect and prevent fraud, waste and abuse.

The **Attorney General's** office prosecutes criminal and to a limited extent civil cases. It takes the work of local police and state police and decides whether or not to prosecute. The AG has investigators, however, these investigators are few in number and avoid issues of mismanagement, malfeasance, etc. Because AG's office does not do audits, it does not get involved in white-collar fraud unless it is a high profile case. An example of this is the lack of attention to the problems in Providence city government until the FBI stepped in.

The **State Bureau of Audits** cannot keep up with biennial audits of every state department as required by R.I.G.L. For example, the Traffic Court was not audited properly for years. The agency reports to the Director of Administration. Internal audits are performed, focusing on performance audits (effectiveness and efficiency). Fraud, waste and abuse are not the main focus.

The **Auditor General** is an employee of the Joint Committee on Legislative Services. The budget is controlled by the JCLS. He focuses on the annual post audit of the state and the annual audit of federally-funded programs (a single audit, rather than numerous individual audits.) He reports errors, unusual practices or any other discrepancies to the House Speaker and the Senate Majority Leader. Fraud, waste and abuse are not the main focus.

The **Ethics Commission** has limited power of investigation and audit. It is not independent due to the nominating authorities, rarely is proactive, and has not demonstrated an appetitive or the ability to investigate and prevent malversation in state government.

The **Inspector General** would be an independent investigative agency, charged with the proactive responsibility to investigate and/or audit any state or municipal agency and any private business entity or official doing business with the state or municipality. The office would have human resources and physical resources totally devoted to its mission. It would rely on the AG to prosecute criminal and civil cases. The IG could also investigate/audit the AG, the Ethics Commission and the State Bureau of Audits to determine the effectiveness of these agencies, identifying management issues, political issues, and failures to perform their missions.