

OFFICE OF THE STATE INSPECTOR GENERAL

*FRAUD AND ABUSE WHISTLE BLOWER REWARD FUND
FISCAL YEAR 2018 ANNUAL REPORT*

SEPTEMBER 2018



MICHAEL C. WESTFALL, CPA

STATE INSPECTOR GENERAL

REPORT No. 2019-ADM-002



COMMONWEALTH OF VIRGINIA
Office of the State Inspector General

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September 4, 2018

The Honorable Ralph S. Northam
Governor of Virginia
Patrick Henry Building, Third Floor
1111 East Broad Street
Richmond, VA 23219

Members of the Virginia General Assembly
Pocahontas Building
900 E. Main Street
Richmond, VA 23219

Dear Governor Northam and Members of the Virginia General Assembly:

Pursuant to *Code of Virginia* (Code) § [2.2-3014](#), the Office of the State Inspector General (OSIG) submits its fiscal year 2018 summary of Fraud and Abuse Whistle Blower Reward Fund activities in the following report.

Fraud and Abuse Whistle Blower Protection Act Program

The Fraud and Abuse Whistle Blower Reward Fund (the Fund) was created solely to provide monetary rewards to Commonwealth of Virginia citizens and state government employees who disclose information of wrongdoing or abuse under the Fraud and Abuse Whistle Blower Protection Act (WBPA) that results in recovery of at least \$5,000. The amount of the reward shall be up to 10 percent of the actual sum recovered by the Commonwealth that results from disclosure of the wrongdoing or abuse. Regardless of the sum recovered, at no time shall the amount of any reward, even if less than 10 percent, exceed the balance of the Fund.

OSIG assumed responsibility for administering the fund effective July 1, 2012. Commonwealth citizens and state government employees are encouraged to report instances of wrongdoing or abuse by state and non-state agencies without fear of discrimination or reprisal per Code § [2.2-3009](#) et seq.

Whistle Blower Reward Fund FY2018 Operations	
WBPA incidents reported to OSIG	10
Fund claims made to OSIG	None

Whistle Blower Reward Fund FY2018 Financial Activity	
Fund balance: July 1, 2017	\$0.00
Fund deposits: July 1, 2017-June 30, 2018	\$0.00
Fund withdrawals: July 1, 2017-June 30, 2018	\$0.00
Fund balance: June 30, 2018	\$0.00

The Fraud and Abuse Whistle Blower Protection Act Manual

Policies and procedures for proper administration of the Fund, including eligibility requirements and rules for filing claims, are published and available on OSIG's [website](#).

Whistle Blower Protection Act (WBPA) Regulation

The WBPA is currently operating under an emergency regulation to comply with Code of Virginia §2.2-3014: Fraud and Abuse Whistle Blower Reward Fund, while the Notice of Intended Regulatory Action (NOIRA) process is underway.

The proposed regulation, 1 VAC 42-30 Fraud and Abuse Whistle Blower Reward Fund, defines the Fraud and Abuse Whistle Blower Reward Fund and its administration by OSIG, including eligibility requirements, amount, distribution, process for leftover monies at the end of the fiscal year and the Fund's establishment on the books of the Comptroller. These regulations are currently being finalized.

If you have any questions, please contact me at (804) 625-3255 or via email at michael.westfall@osig.virginia.gov. I am also available to meet with you to discuss this report or any aspects of this office at your convenience.

Respectfully,

Michael C. Westfall, CPA
State Inspector General

cc: Clark Mercer, Chief of Staff to Governor Northam
Suzette Denslow, Deputy Chief of Staff to Governor Northam