

OFFICE OF THE STATE INSPECTOR GENERAL

**Report to the Governor and the
General Assembly of Virginia**

**Fiscal Year 2023 Annual Report
September 2023**



**Michael C. Westfall, CPA, CIG, CFE
State Inspector General
Report No. 2024-ADM-003**

MESSAGE FROM THE STATE INSPECTOR GENERAL



**State Inspector General
Michael C. Westfall,
CPA, CIG, CFE**

The Office of the State Inspector General reached another milestone this year. The State Fraud, Waste and Abuse Hotline marked its 30th anniversary. OSIG’s numerous administrative and criminal investigations and audits of executive branch agencies resulted in recommendations for improved internal controls, efficiency and effectiveness. We continued collaboration with the Attorney General’s office and have received requests from the Governor’s office and various cabinet members as they become more engaged in the work that we do.

In fiscal year 2023, the Fraud, Waste and Abuse Hotline assigned 197 cases for investigation, which totaled 344 separate allegations. Additionally, the Criminal Investigations Unit opened 24 executive branch agency investigations, referred seven cases for prosecutorial consideration and closed 29 cases. OSIG continued the process of obtaining initial accreditation through the Virginia Law Enforcement Professional Standards Commission and the Commission on Accreditation for Law Enforcement Agencies, accrediting entities that will greatly enhance the effectiveness and abilities of OSIG across the Commonwealth.

In addition, the Audit Division published seven performance audits, plus a follow-up report. Healthcare Compliance Unit staff processed 633 Complaint Line contacts in a timely, proficient manner, while the Communications Unit processed 564 general inquiries and/or complaints.

I am very proud of the staff here at OSIG. It is a staff that is well qualified with diverse backgrounds and experience. The majority are certified through the Association of Inspectors General, which ensures that we follow professional standards and conduct quality work. OSIG is fortunate to have exceptional employees who are dedicated to the serving the citizens of the Commonwealth.

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OSIG RESPONSIBILITIES AND FY 2023 HIGHLIGHTS



In accordance with Title 2.2 Chapter 3.2 (§ 2.2-307 through 2.2-313) of the *Code of Virginia*, the Office of the State Inspector General is responsible for:

- 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 performance reviews of state agencies.
- Providing training and coordination of standards for the Commonwealth's internal audit functions.
- Performing inspections and making policy and operational recommendations for the Department of Behavioral Health and Developmental Services facilities and providers.
- Reviewing operations of the Virginia Tobacco Region Revitalization Commission.

Consistent with these responsibilities, OSIG completed the following activities during fiscal year 2023:

Audit Division

- Issued seven performance audits and one follow-up report.
- Issued 40 findings and observations.
- Issued 90 audit recommendations.
- Staff earned 1,514 hours of continuing education for a total of 33 certifications.
- Gave 21 presentations to state and national audit organizations.

Investigations Division

- **Criminal Investigations Unit**
 - Opened 24 executive branch state agency investigations.

- Investigated allegations of benefits fraud, conflicts of interest, falsifying state documents, procurement violations, and waste and abuse.
 - Referred 7 cases for prosecutorial consideration.
 - Closed 29 cases.
 - Gave four presentations and staff participated in 765 hours of training.
- **State Fraud, Waste & Abuse Hotline**
 - Processed 1,621 complaints.
 - Assigned 197 cases for investigation, which totaled 344 separate allegations.
 - Of the 182 cases closed, 18 percent were substantiated, 69 percent were unsubstantiated, 10 percent were multiple allegations with both unsubstantiated and substantiated findings and 3 percent were inconclusive.
 - Investigated 24 cases in-house for allegations that involved an agency head, internal audit employee or an at-will employee. This resulted in 11 recommendations made to the agencies because of an investigation.
 - Completed eight workpaper reviews of an agency's internal audit program and 45 investigative review follow-ups for compliance with recommendations.
 - Delivered more than 63 hours of Hotline awareness events/presentations and participated in nearly 350 hours of training.
 - **Healthcare Compliance Unit**
 - Processed 633 complaints.
 - Participated in unannounced inspections of 12 DBHDS facilities.
 - Staff participated in 138 hours of training to enhance their skills.

Administration Division

- **Internal Audit Oversight and Training Services**
 - Conducted two quality assurance reviews.
 - Coordinated 11 training courses, in which 561 internal auditors from across the Commonwealth participated, earning up to 79 continuing professional education credits to maintain certifications necessary for their positions.
 - Participated in 79 hours of training to enhance skills.
- **Communications Unit**
 - Responded to 102 Freedom of Information Act inquiries.
 - Processed 20 responsive and proactive media contacts.
 - Processed 564 citizen inquiries.
 - Distributed 14 news releases resulting in multiple statewide media placements.

OSIG Continued to Provide Staff Support for the Commission on the May 31, 2019, Virginia Beach Mass Shooting

The 2020 Virginia Acts of Assembly Chapter 1289 - Budget Bill – Item 27.20 established the Commission on the May 31, 2019, Virginia Beach Mass Shooting to conduct an independent, thorough and objective review of the incident. The General Assembly tasked the Commission with issuing recommendations and improvements that can be made in Virginia’s laws, policies, procedures, systems and institutions to prevent a similar incident. OSIG provides staff support to the commission as needed.

The General Assembly directed the Commission to submit an annual executive summary of its interim activity and work by November 1 of each year.



The Commission on the May 31, 2019, Virginia Beach Mass Shooting held a meeting on January 11, 2023, in Richmond, VA, to hear workgroup updates and testimonies from survivors and the victims’ families.

OSIG Marks 30-Year Hotline Anniversary

The Office of the State Inspector General marked its 30-year anniversary of the State, Fraud, Waste and Abuse Hotline during FY 2023. The Hotline was created in September 1992 as part of government reform initiatives to make Virginia state agencies run more efficiently and effectively. Governor Douglas Wilder wrote the first Executive Order to create the State Employee Fraud, Waste and Abuse Hotline under the Department of State Internal Auditors. In June 2006, Governor Timothy Kaine issued Executive Order No. 12 to ensure employees of the

Commonwealth continued to have the opportunity to anonymously report instances of fraud, waste and abuse to the Hotline.

In October 2012, Governor Robert McDonnell signed Executive Order No. 52 to expand Hotline accessibility to citizens of the Commonwealth, renamed it the State Fraud, Waste and Abuse Hotline and merged it with the newly established Office of the State Inspector General. The Hotline has received more than 22,000 calls from concerned citizens and state workers, with nearly 14,000 cases identified in the last 30 years. Most of the allegations were deemed unsubstantiated, with 29 percent substantiated.



OSIG'S MISSION, VISION, VALUES AND GOALS



Mission

To deter fraud, waste and abuse while promoting accountability and excellence within the Commonwealth.

Vision

To be a recognized leader in promoting exceptional governance and independent oversight of Executive Branch state agencies within the Commonwealth of Virginia.

Values

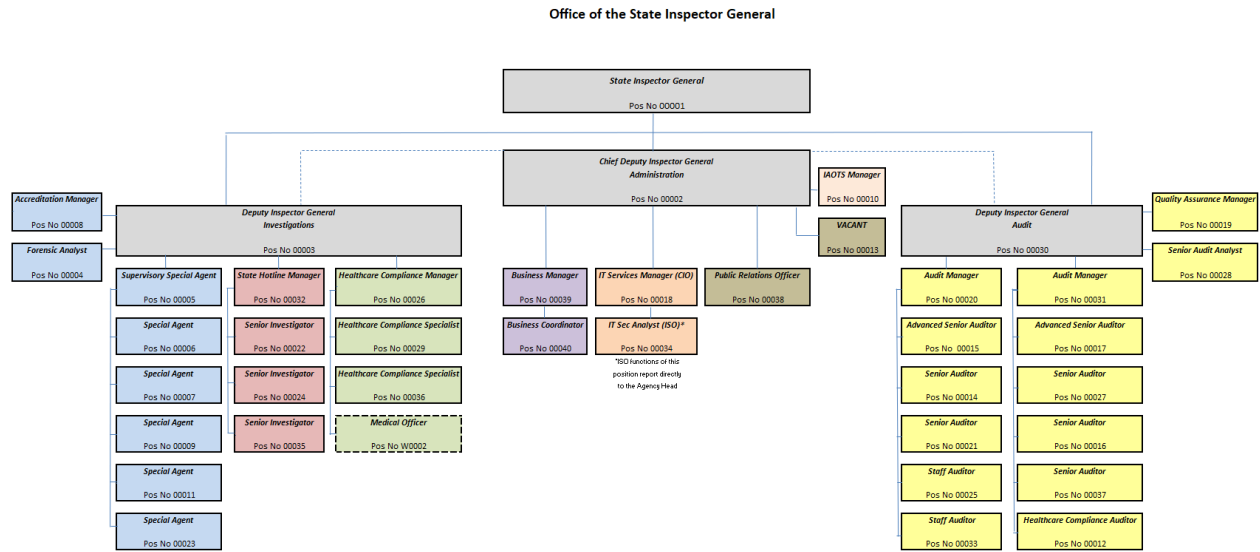
- Virtue – exhibiting fidelity, fairness and trustworthiness.
- Action – dedicated, objective and innovative.
- Leadership – committed to workforce development, building stronger teams now and in the future.
- Understanding – establishing an environment of equity, diversity, opportunity and collaboration.
- Ethics – modeling integrity, trust and ethical behavior.
- Service – serving the citizens of Virginia by providing quality services, leadership and accountability.

Goals

- Foster a culture of accountability and transparency within OSIG and across state agencies by communicating best practices and sharing lessons learned from the work that OSIG performs.
- Foster a culture as a trusted partner and advisor.
- Highlight the value and impact that OSIG has on the Commonwealth.
- Enhance OSIG's reputation by cultivating relationships with both external and internal stakeholders.
- Maximize the use of technology to enhance collaboration, productivity and flexibility within the agency.

OSIG'S ORGANIZATIONAL STRUCTURE

OSIG programs within the Administration, Audit and Investigations divisions are efficient and effective, ensuring that the office meets statutory mandates and serves the citizens of Virginia.



AUDIT DIVISION



The Audit Division’s legislative mandates are delineated in *Code of Virginia* § [2.2-309](#)[A](10), § [2.2-309.1](#) and § [2.2-309.2](#) and include:

- Conducting performance reviews to assess the efficiency, effectiveness and economy of executive branch agencies’ programs and operations.
- Assessing the condition of the accounting, financial and administrative controls of state and non-state agencies as necessary.
- Reviewing the condition of the Tobacco Region Revitalization Commission’s accounting, financial and administrative controls.
- Conducting annual unannounced inspections of the 12 state facilities operated by the Department of Behavioral Health and Developmental Services.

Audit Standards

The Audit Division follows Generally Accepted Government Auditing Standards issued by the U.S. Government Accountability Office. In 2018, the GAO issued a revision to the standards. These changes reinforce the principles of transparency and accountability and strengthen the framework of high-quality government audits. The revised standards were effective for performance audits beginning on or after July 1, 2019, which the Audit Unit adopted for new audits. The Audit Division also follows Principles and Standards for Offices of Inspector General issued by the Association of Inspectors General for all inspections, evaluations and reviews performed.

Issued Reports

In FY 2023, OSIG published seven performance audits presenting 40 findings and 90 recommendations, and one follow-up report.



2022 I-95 Snow Incident of January 3-4

On January 3-4, 2022, the first major snowstorm of the 2021-22 snow season moved across Virginia. The storm intensified in the Fredericksburg area just after sunrise on January 3 to levels where the good faith decisions state employees made to keep I-95 moving and safe for the traveling public became ineffective. Traffic slowed due to disabled vehicles, including jackknifed tractor trailers. The resulting traffic backup significantly impacted the ability for VDOT to clear the roadway as plows could not remove the accumulating snow. When temperatures dropped after sunset, the snow and slush turned into an icepack that brought I-95 to a stop. The scope of this audit covered the events from the morning of January 1, 2022, the time of the first public messaging about the storm, through the evening hours of January 4, 2022, when I-95 was declared open. The agencies involved were the Virginia Department of Transportation (VDOT), Virginia State Police (VSP) and Virginia Department of Emergency Management (VDEM).

The overall objectives were to:

- Determine whether corrective actions following similar winter weather events were implemented.
- Determine the root causes of each issue addressed in the combined agencies' After-Action Report on the 2022 I-95 Snow Incident and independently verify conclusions.

The audit report contained nine findings with 18 recommendations, including:

- Better apply lessons learned from prior similar snow events.
- Incorporate lessons learned into agency policy.
- Conduct snow related disaster response and recovery exercises and training.
- Issue accurate and reliable information with a compelling message and authoritative tone in future similar events.
- Facilitate training through VDEM for improved emergency communications.

Read the August 11, 2022, [report](#).



VIRGINIA DEPARTMENT OF
SOCIAL SERVICES

Virginia Department of Social Services: Division of Child Protective Services

The Virginia Department of Social Services (VDSS) division of Child Protective Services (CPS) identifies, receives and responds to complaints and reports of alleged child abuse or neglect for children under 18 years of age. The scope of this performance audit included a review of policies, processes and supporting documentation, and limited data analysis of CPS operations.

The overall objectives were to:

- Review the operations of the VDSS 24-hour CPS Hotline.
- Review the operations of local agencies receiving and handling referrals both during and after normal business hours.
- Assess the use of the Mandated Reporter Portal in receiving referrals.
- Determine the feasibility and effectiveness of local agencies at receiving all incoming reports during normal business hours.
- Determine if the Child and Family Services Manual, the *Code of Virginia* and other resources provide reasonable assistance in completing investigations and assessments.
- Evaluate the efficiency and consistency of VDSS's application of selected CPS referral and case requirements.
- Evaluate the usefulness and reliability of state provided tools for determining case validity and priority.

The audit report contained 10 findings with 21 recommendations, including:

- Replace CPS' Referral Tracking System which is no longer supported and does not meet the current needs for managing the CPS program.
- Train staff and utilize available capabilities within the Verizon InContact call center application.
- Develop and implement processes to maintain oversight over localities to include addressing clarity and accuracy of Hotline after hours voice mail messages, ensuring family assessments are closed timely, and educating localities on the Mandated Reporter Portal, proper assignment of response times based on the underlying conditions of cases, and proper screening of cases utilizing the CPS Intake Tool.
- Conduct a workload analysis to determine the appropriate workload standards for CPS staff in order to reduce processing errors and delays.

Read the September 22, 2022, [report](#).



Higher Education Institutions: Clery Act

The Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act (Clery Act) is a federal mandate requiring all institutions of higher education that participate in the federal student financial aid program to disclose information about crime on their campuses and in the surrounding communities. The Clery Act affects virtually all public and private colleges and universities and is enforced by the U.S. Department of Education. Campuses that fail to comply with the act can be penalized with fines and may be suspended from participating in the federal financial aid program.

The overall objectives were to:

- Determine whether on-campus, public property and non-campus geography are properly defined and categorized.
- Determine if Campus Security Authorities have been properly identified and trained annually.
- Determine the accuracy, completeness, timeliness, availability and awareness of the Annual Security Report per the Handbook for Campus Safety and Security Reporting.
- Determine whether emergency notifications and warnings are adequate to alert the campus community in a timely manner.

The audit of six higher education institutions contained four findings with six recommendations, including:

- Ensure Annual Security Reports are complete and accurate.
- Properly identify geography in accordance with Clery Act requirements.
- Test emergency response plans and ensure results are evaluated through an after-action review.
- Establish reconciliations between the crime statistics data presented in the Annual Security Reports and the data posted to the U.S. Department of Education Campus Safety and Security website.

Read the May 31, 2023, [report](#).



New College Institute

New College Institute (NCI) was established in the *Code of Virginia* in 2006, as an educational institution of the Commonwealth in Henry County and the City of Martinsville. One of NCI's responsibilities includes expanding educational opportunities in the region by providing access to degree-granting programs, including undergraduate, graduate, and professional programs, through partnerships with private institutions of higher education and public institutions of higher education, public schools, and public and private sectors focusing on statewide and regional critical shortage areas and the needs of industry, including needed adult education and workforce trainings; and serve as a resource and referral center.

NCI self-reported program participation numbers for degree-seeking programs offered decreased 25%, and K-12 Higher Education Outreach participants decreased 42%. In addition, manufacturing training programs, which had zero participants in FY 2018, FY 2019, and FY 2022, decreased 31% between FY 2020 and FY 2021.

The overall objectives were to:

- Independently review NCI expenditures to determine if they are reasonable and allow NCI to meet their goal to assist students seeking degree and certification programs that benefit the citizens of the Commonwealth of Virginia.
- Determine the extent to which NCI is meeting their goal to assist students seeking degrees and certifications that benefit the citizens of the Commonwealth of Virginia.

The audit report contained two findings with three recommendations, including:

- Program outcomes could not be independently verified due to lack of supporting documentation. Documentation to support information reported by NCI on program outcomes should be maintained. In addition, for certifications offered, documentation should be retained to show how the number of modules was derived.
- NCI should collaborate with businesses and other partners to identify opportunities to increase the usage of NCI's current programs and create new opportunities that align with their goals to benefit the citizens of the Commonwealth of Virginia.

Read the April 27, 2023, [report](#).



Department of the Treasury Unclaimed Property Audit and Compliance Program

Unclaimed Property is a program within the Department of the Treasury that operates under the *Code of Virginia* Title 55.1, Chapter 25, referred to as the Virginia Disposition of Unclaimed Property Act. Their mission is to protect the property interests of citizens through efforts to promote compliance with the Unclaimed Property Act. Ultimately, Unclaimed Property is responsible for reconnecting citizens with their assets that have been turned over to the state when companies lose track of the rightful owners.

The overall objectives were to:

- Determine if Virginia's unclaimed property program is similarly aligned (or functions similarly) with the unclaimed property programs of other states.
- Determine if Unclaimed Property's process for identifying businesses with unclaimed property and selecting businesses to review is adequate in supporting their overall mission of returning unclaimed property to its owners.
- Determine if Unclaimed Property's Audit and Compliance Division's processes are effective in identifying unreported unclaimed property and collecting penalties and fees.

The audit report contained nine findings with 26 recommendations, including:

- Compliance reviews:
 - Develop parameters for selecting businesses for compliance reviews.
 - Document policies and procedures over key compliance review processes to ensure consistency.
 - Ensure the compliance review process is completed timely and effectively.
- Utilize enforcement tools as set out in the *Code of Virginia*.
- Maintain and continuously update a comprehensive list of businesses in Virginia.
- Management should collaborate with their outreach area to develop a tool to inform existing and future businesses of their escheatment responsibilities.
- Perform Gap Analysis on a regular basis.
- Management should develop, monitor, and periodically report on a full range of performance metrics that measure the performance of the Audit and Compliance Division.

OSIG found \$52,790 in potential missed interest and \$19,305 in potential missed penalties related to not utilizing available enforcement tools.

Read the June 27, 2023, [report](#).



Virginia Information Technologies Agency: Service Level Agreement (SLA) Management

Virginia Information Technologies Agency (VITA) provides information technology (IT) services and solutions to over 60 Virginia executive branch agencies and other organizations to support government service delivery to Virginians. VITA relies on the multiple service providers to ensure the Commonwealth has the IT services required to meet its mission. One of VITA's key service agreements is the Multisourcing Service Integrator and its seven service Tower support providers. At the time of audit, there were 571 service metrics that were included in service level agreements (SLAs) across the existing platform suppliers. The suppliers are available to support VITA's mission and enable the Commonwealth's information technology requirements.

The overall objectives were to:

- Determine if service levels are being met for the Supplier Strategy & VITA Performance contracts and if there is accountability when service levels are not met.
- Determine whether the Service Level Management Program meets industry standards (NIST and ITIL) for monitoring IT service contracts and provides effective tracking and monitoring as prescribed in the contracts.

The audit report contained three findings with nine recommendations, including:

- Review Tower service levels that do not have a monetary impact and remove those that add no value to Commonwealth agencies.
- Develop a formalized process to evaluate SLAs for duplicative and inefficient metrics at least annually and seek input from Commonwealth agencies in this process.
- Develop a process to formally compare customer feedback to SLAs on a periodic basis to identify trends requiring SLA adjustments and those SLAs that were not met.
- Develop a mechanism to formally share the expected metric requirements with agencies that use service Tower support contractors.
- Formally document process to collect and review data needed to verify SLA compliance, including a monthly review of contractor performance in meeting all SLAs.

Read the June 28, 2023, [report](#).



Department of Veterans Services Information Technology Security and Procurement

This audit was conducted at the request of the Department of Veterans Services (DVS) Commissioner to improve the efficiency and effectiveness of DVS' IT security oversight and management. DVS operates more than 40 locations across the Commonwealth providing services to veterans and their families. This includes four veterans care centers, three veteran cemeteries, the Virginia War Memorial, 35 benefits centers, and the central office.

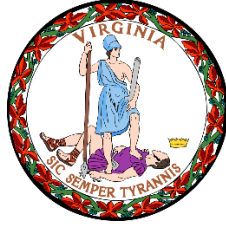
The overall objectives were to:

- Ensure the proper storage of Personally Identifiable Information (PII) and Protected Health Information (PHI) on portable devices or at unauthorized locations, through verification of system controls.
- Determine if DVS has sufficient processes in place to allow DVS staff to properly procure IT assets in accordance with VITA requirements.

The audit report contained three findings with seven recommendations, including:

- DVS should regularly assess and report their sensitive systems to VITA and have IT security audits performed as required by VITA Security Audit Standard, SEC 502.
- Procurement of IT systems and all contracts involving IT should require prior approval by DVS central IT leadership.
- DVS should ensure that all contract procurements comply with the Virginia Public Procurement Act and Agency Procurement and Surplus Property Manual and finalize a policy for managing IT procurements.

Read the June 27, 2023, [report](#).



Statewide Annual Follow-up of Previous Findings for Fiscal Year 2022

Agencies are required to submit corrective action plans to OSIG to address findings and recommendations as a result of prior year performance audits. This report provides the status of agencies implementation of corrective actions from earlier audit reports as of June 30, 2022. OSIG reviewed corrective action plans for 10 agencies in response to previously issued performance audits. Fifty-seven previous findings and recommendations were included. Agencies implemented corrective actions or were making progress on the implementation of corrective action for 52 of the 57 findings.

The report contained no additional findings or recommendations from those issued in previous reports.

The Department of Conservation and Recreation, Department of Wildlife Resources and the Department of Social Services submitted new corrective action plans in response to findings in their performance audits. A combination of environment changes and turnover have contributed to these new corrective action plans being submitted. Follow-up will occur during fiscal year 2024.

Read the January 20, 2023, [report](#).

Ongoing Performance Audits

As of July 1, 2023, OSIG continued its work on the following performance audits:

Department of Human Resource Management, Department of Accounts: Commonwealth Overtime Analysis

The scope of this project focuses on agencies with high volumes of overtime usage. Auditors performed an analysis of overtime compensation and hours worked from 2010 to 2023. Based on this trend analysis, auditors selected 21 agencies for further review. The audit will review overtime transactions for July 1, 2020, through May 31, 2023, and will follow up on significant outliers from July 1, 2018, through May 31, 2023, for potential fraud concerns.

The overall objectives are to:

- Determine whether agency overtime policies contain sufficient criteria for overtime use.

- Determine whether overtime hours paid to employees comply with agencies' overtime policy.
- Determine whether overtime is being used cost effectively by agencies in relation to recruitment.

Electronic Health Records

During the 2021 unannounced inspections performed by OSIG's Healthcare Compliance Unit, the inspection team noted potential issues with the electronic health record (EHR) system that could be impacting patient care. This audit focuses on evaluating DBHDS' new electronic health record system to evaluate the impact on patient care for the period of July 1, 2021, through June 2023.

The objectives are to:

- Determine whether the extent of guidance provided by DBHDS to facilities regarding the EHR system usage is clear, comprehensive, and supportive of their needs.
- Determine whether logical access controls within the EHR system are appropriate and occur timely.
- Determine whether EHR system updates, including application changes, improve/strengthen the ability of facility staff to input patient medical information into the system to enhance patient care.
- Determine whether the EHR training requirements align with the unique needs of each facility.
- Assess user satisfaction with the EHR system to identify areas of improvement and/or best practices.
- Determine whether DBHDS regularly and timely communicates system information.
- Determine the effectiveness of workflow process controls in ensuring timely delivery of services ordered or referred, for patients.
- Assess the security and compliance of data storage practices to verify that data is securely stored in accordance with Commonwealth requirements and prevent unauthorized exporting that may violate HIPAA regulations.

Unannounced Inspections of DBHDS Facilities

In accordance with *Code of Virginia* Chapter 3.2 Article 1 § [2.2-309.1. B.1.](#), OSIG is conducting its annual unannounced inspections of all twelve facilities operated by the Department of Behavioral Health and Developmental Services (DBHDS). The inspections will include reviewing compliance with the Americans with Disabilities Act (ADA). The scope will not include all requirements of the ADA, only those requirements that OSIG identified as being of higher risk.

The overall objectives are to:

- Determine if the facility under inspection has established and implemented effective policies, procedures and controls related to select ADA requirements.
- Determine whether the facility under inspection is physically accessible by individuals with disabilities.
- Determine whether the facility under inspection provides means for effective communications for individuals with disabilities.

Tobacco Region Revitalization Commission

In accordance with *Code of Virginia* § [2.2-309.2](#), OSIG is conducting an audit of the Tobacco Region Revitalization Commission’s (TRRC) accounting, financial, and administrative controls to ensure that the purposes set forth in Chapter 31 (§ [3.2-3100](#) et seq.) of Title 3.2 are lawfully achieved. The audit division is evaluating the effectiveness of the overall Grant and Loan programs through measuring the outputs and outcomes of the program in comparison to its inputs. The audit scope will cover a sample of grants and loans awarded, ongoing and closed by TRRC between FY 2020 and FY 2022 for all programs. This includes follow-up on audit findings issued in the OSIG November 2019 audit report.

The overall objectives are to:

- Determine if a sample of grant and loan programs are producing their intended outputs in support of each programmatic goal; intended outputs are properly measured and reported by TRRC.
- TRRC has properly verified and measured matching fund requirements for sampled grants and loans against total allowable costs.
- TRRC has properly established and implemented a viability assessment process – required by *Code of Virginia* § 3.2.3103 – for validating each grant and loan request prior to submission of the fund request to TRRC; viability is adequately measured and supported.
- TRRC staff is accurately tracking student loan repayment applications to include verification that loan requirements are properly met.
- TRRC staff have remediated prior audit findings issued in VA OSIG’s November 2019 audit report.

Statewide Annual Follow-up of Previous Findings for Fiscal Year 2023

Agencies are required to submit corrective action plans to OSIG to address findings and recommendations as a result of prior year performance audits. OSIG continues to perform follow-up on the status of agencies implementation of corrective actions from earlier audit reports that have not been cleared. This project will report on the status of agencies implementation of corrective actions from earlier audit reports as of June 30, 2023.

Education and Training Opportunities

Audit Division staff attended over 1,500 hours of training in FY 2023:

- Fraud Conferences
- Risk Based Auditing
- Internal Audit Best Practices
- Ethics
- Continuous Auditing and Data Analytics
- Corporate Governance and Culture
- Governmental Auditing

Certifications, Staffing and Accomplishments

- Audit Division staff hold 33 certifications.
- Senior Auditor Leigh Anne Stacklin became a Certified Government Financial Manager (CGFM) and Certified Inspector General Auditor (CIGA).
- Healthcare Compliance Auditor Madison McRae became a Certified Professional in Healthcare Quality (CPHQ) and Certified Inspector General Inspector/Evaluator (CIGE).
- During FY 2023 the following certifications were held by Audit Division staff:

Audit Division Certifications by Type	
Certified Inspector General Auditor (CIGA)	10
Certified Government Auditing Professional (CGAP)	3
Certified Internal Auditor (CIA)	5
Certified Government Financial Manager (CGFM)	1
Certified Public Accountant (CPA)	3
Certified Information Systems Auditor (CISA)	2
Virginia Contracting Associate (VCA)	3
Virginia Contracting Officer (VCO)	1
Virginia Construction Contracting Officer (VCCO)	1
Certified Fraud Examiner (CFE)	2
Certified Inspector General Inspector/Evaluator (CIGE)	1
Certified Professional in Healthcare Quality (CPHQ)	1
Total Certifications	33

- Audit Division staff made 21 presentations in FY 2023, including one to the Chief Audit Executive Roundtable.
- Audit Division staff participated in 149 training events ranging from one-hour webinars to multi-day events, totaling 1,514 hours of training.
- Audit Division staff held officer and board of governors’ positions in the Central Virginia and Southwest Chapters of the Institute of Internal Auditors.

- Audit Division staff held a board of governors' position in the National Association of Black Accountants.
- Audit Manager Ben Sutphin taught seven classes for The Institute of Internal Auditors.

Audit Division Memorable Events

- Former Audit Manager, Adam Tagert, was promoted to Deputy Inspector General of Audit.
- OSIG welcomed three new employees to the Audit Division.
- Audit Unit conducted numerous presentations throughout the year.



Top left: Senior Auditor Danielle Squire (fifth from right) at the National Association of Black Accountants Officer Training in Spring 2023.
Top right: Senior Auditor Leigh Anne Stacklin presents on the topic of neurodivergence at an Association of Government Accountants training in April 2023.
Bottom left: Senior Audit Analyst Zach Yarbrough presents hands-on data analytics training to OSIG staff in August 2023.
Bottom right: Audit Manager Ben Sutphin teaches Fundamentals of IT Auditing in NYC in December 2022.



INVESTIGATIONS DIVISION



CRIMINAL INVESTIGATIONS UNIT

OSIG Investigations Unit statutory authority and legislative mandates are delineated in *Code of Virginia* § [2.2-309](#)[A](3-6), § [2.2-309.2](#) and § [2.2-311](#); and include:

- Investigate the management and operations of state agencies, non-state agencies and independent contractors of state agencies to determine whether acts of fraud, waste, abuse or corruption have been committed or are being committed by state officers, employees or independent contractors of state agencies or any officers or employees of non-state agencies.
- Investigate to resolve allegations of fraudulent, illegal or inappropriate activities concerning disbursements from the Tobacco Indemnification and Community Revitalization Endowment and the Tobacco Indemnification and Community Revitalization Fund.



Left: OSIG special agents preparing for firearms training at the Crater Criminal Justice Training Academy shooting range in May 2023. Right: Supervisory Special Agent Harris on his way to meet the team at the range.

Standards and Principles

The Criminal Investigations Unit follows Principles and Standards for Offices of Inspector General issued by the Association of Inspectors General for all investigations conducted.

Investigations’ Statistical Summaries

In FY 2023, the Criminal Investigations Unit closed the following executive branch state agency investigations:

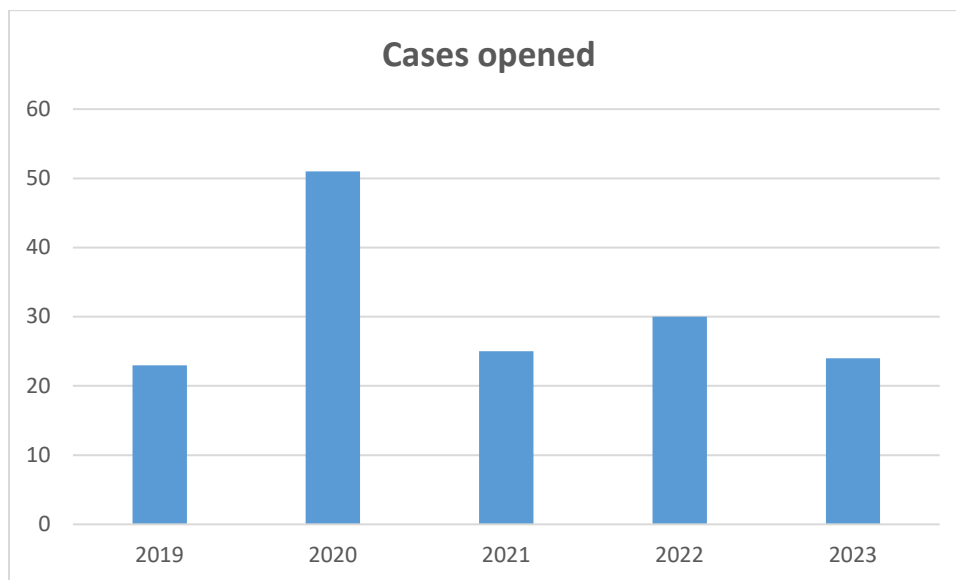
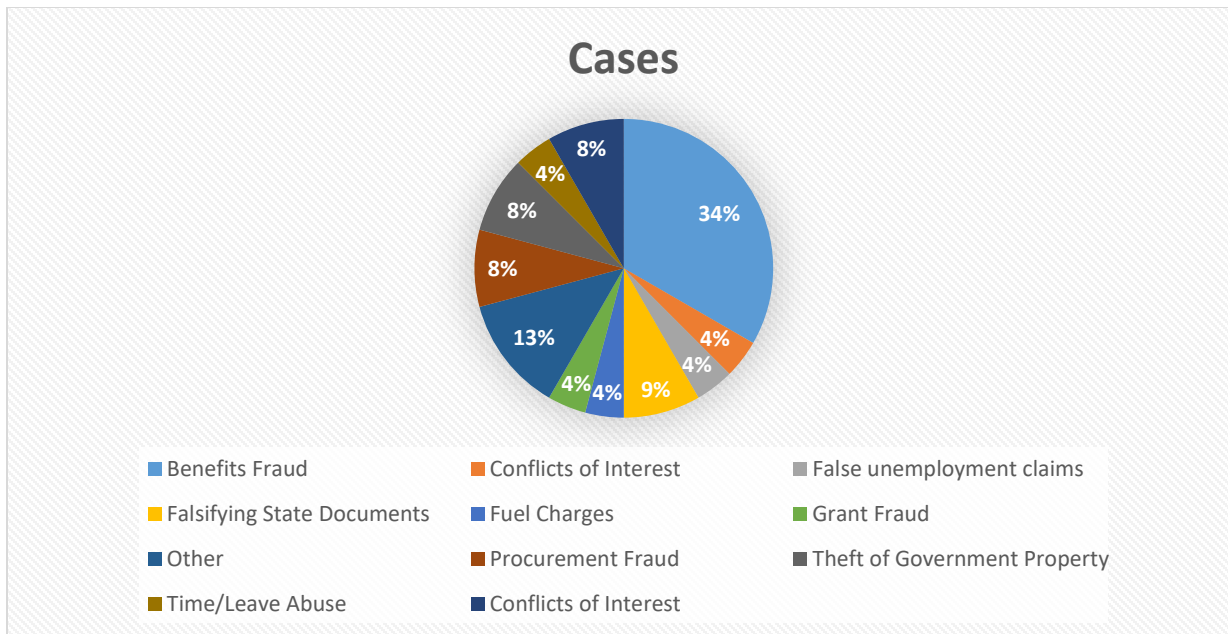
- Department of Corrections.
- Department of Education.
- Department of General Services.
- Department of Housing and Community Development.
- Department of Labor and Industry
- Department of Veteran Services.
- Old Dominion University.
- Reynolds Community College.
- The College of William & Mary.
- Tobacco Region Revitalization Commission.
- VA Department of Emergency Management.
- VA Department of Taxation (two cases).
- VA Department of Transportation (two cases).
- VA Department of Health.
- VA Department of Social Services (three cases).
- VA Employment Commission (nine cases).
- VA Peninsula Community College.



In FY 2023, the Criminal Investigations Unit opened 24 executive branch state agency investigations.

CRIMINAL INVESTIGATIONS UNIT CASE SUMMARY FY 2023

Cases opened in FY 2023	24
Cases closed in FY 2023	29
Cases resulting in corrective action recommendation in FY 2023	3
Open cases carried over from FY 2022	32
Cases open at end of FY 2023	27



Noteworthy Cases Completed in FY 2023

Virginia Department of Corrections

The Virginia Department of Corrections entered into a contractual agreement with a healthcare provider for correctional inmates. The contract ran from October 1, 2014, until December 12, 2021. DOC determined that the health care provider did not live up to the contractual agreement.

Thus, on December 12, 2021, DOC notified the provider that its contract was terminated. On December 12, 2021, DOC awarded a different healthcare provider (provider #2) an emergency contract to provide correctional inmate healthcare services. Once provider #2 was awarded the contract they hired 300 former employees who worked for provider #1. Provider #2 reported to DOC that they had potential evidence that provider #1 possibly allowed false documentation to be submitted by employees to meet minimum staffing levels to prevent the assessment of liquidated damages.

OSIG's investigation revealed that DOC paid the healthcare provider in advance and that the provider submitted staffing reports to DOC, which showed minimum staffing levels for healthcare services. The DOC finance department reconciled these reports for accuracy and applied liquidated damages when minimum staffing levels fell short. DOC and the health care provider agreed upon liquidated damages.

The DOC finance department was able to reconcile the minimum staffing of the provider by verifying licenses through the Department of Professional and Occupational Regulation and by determining whether the employees were qualified for the positions that they held. OSIG concluded that the DOC finance department was diligent in identifying discrepancies submitted by the provider.

Virginia Department of Labor and Industry

On or about May 3, 2022, DOLI Administrative and Financial Services Director notified OSIG of an investigation that their agency was conducting regarding the actions of a Virginia Occupational Safety and Health Compliance Officer. DOLI reported that the VOSH Compliance Officer "may have engaged in criminal acts or acts of fraud, waste, abuse, or corruption during the course of one or more assigned VOSH inspections." Specifically, the officer may have falsified written interview statements and reported that no violations existed when in fact follow-up inspections conducted by other inspectors revealed that numerous violations existed.

The VOSH Compliance Officer conducted several compliance inspections at businesses and government-owned complexes in Henry County, Pittsylvania County, and the City of Martinsville from October 5, 2021, to March 16, 2022. The investigation revealed that the officer failed to conduct the inspections in accordance with established DOLI policies; however, the investigation did not find evidence of criminality. DOLI terminated the Compliance Officer's employment.

DOLI initiated follow-up inspections using a different Compliance Officer at the same facilities shortly thereafter. The follow-up inspections revealed several discrepancies in the documentation completed by the original Compliance Officer. Additionally, the follow-up inspections identified

numerous violations of VOSH laws, standards and/or regulations that should have been documented during the original inspections.

Virginia Department of Housing and Community Development

In February 2022, the former Deputy Broadband Advisor assumed a paid position as the Director of Government Affairs at All Points Broadband. In April 2022, the National Telecommunications and Information Administration named the former Chief Broadband Advisor its Deputy Associate Administrator for Broadband Equity, Access and Deployment.

The DHCD Office of Broadband awarded \$722,042,951 in VATI grant funding to 35 successful grant applicants for fiscal year 2022. The DHCD Office of Broadband does not have a procurement function. Interviews with several DHCD employees, and a review of VATI documentation and employee emails did not reveal any inculpatory evidence indicating that either former appointee unduly influenced any members of the VATI applications review team.

Virginia Employment Commission

On February 24, 2022, OSIG received a report from the Virginia Employment Commission, advising that VEC discovered that several current and former VEC employees might have fraudulently received unemployment insurance while employed by the Commonwealth. Each case was investigated separately.

One investigation revealed that while employed by VEC, the subject made false statements on eight occasions when filing Pandemic Unemployment Assistance (PUA) benefit week ending (BWE) claims online to obtain \$1,264 in PUA benefits from the Commonwealth through the VEC that she was not qualified to receive.

The Office of the Attorney General reviewed the case, and the subject was charged with one count of felony obtain money by false pretense, § 18.2-178. On May 22, 2023, the subject accepted a written plea agreement and plead guilty to a reduced misdemeanor charge of obtain money by false pretense. The subject was sentenced to 12 months in jail with all 12 months suspended. The suspended sentence is conditioned upon restitution of \$1,264 to VEC by August 21, 2023, and good behavior for 12 months.

Virginia Employment Commission

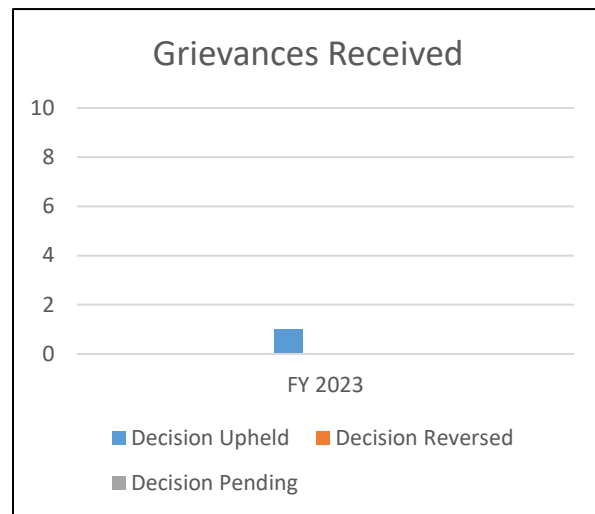
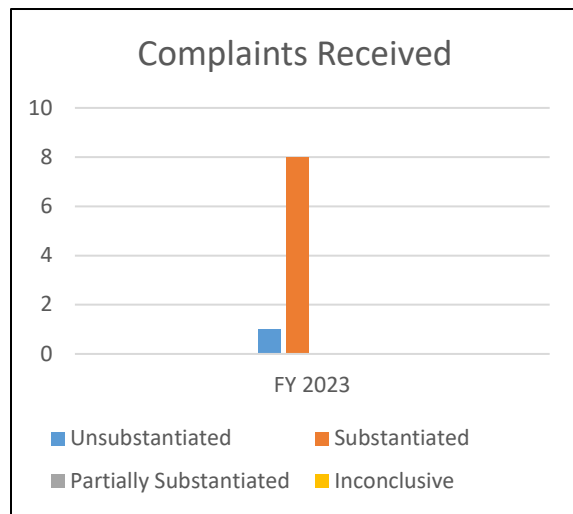
On July 7, 2020, Department of Corrections Investigator contacted OSIG requesting assistance with an investigation involving inmates soliciting individuals outside the prison to file false unemployment claims using the identity of incarcerated inmates. According to the DOC Investigator inmates at River North Correctional Center are promoting a fraud scheme where they are using girlfriends and others to file false unemployment claims through the Virginia Employment Commission using the inmate's identity.

The investigation revealed that the co-conspirators devised a scheme to defraud or attempt to defraud the Commonwealth of Virginia of UI/PUA funds in the possession and control of the VEC. They used the identities of DOC inmates to file false claims for unemployment assistance. The co-conspirators in this scheme were charged federally with conspiracy to commit mail fraud and aggravated identity theft. The inmate who collected personal information to provide to his outside accomplice was sentenced to 70 months in federal prison. The co-conspirator was sentenced to 37 months in federal prison. They were ordered to pay joint restitution of \$109,540.

Special Initiatives and Projects

Internal Affairs Review

On January 1, 2023, OSIG implemented several policies and procedures to address the handling of complaints and grievances in accordance with established guidance from DHRM. An internal affairs review was conducted for complaints and grievances filed in FY 2023 to determine if any trends existed and what steps should be taken to minimize future occurrences.



Complaints received include the total number of external citizen complaints filed on agency personnel and internal complaints filed on agency personnel. Grievances received include the total number of filed grievances by agency personnel as follows:

- The total number of internal affairs investigations conducted in FY 2023 was 0.
- The total number of complaints related to use of force incidents was 0.
- The total number of complaints related to bias-based policing was 0.

The internal affairs review determined that established OSIG policies and procedures adequately meet the needs of the agency in handling and investigating the types of complaints and grievances received.

Point of Contact Initiative

OSIG designed the Point of Contact initiative to foster professional and collaborative relationships between OSIG and its counterparts within executive branch agencies, usually the Chief Audit Executive or other senior manager. The POC initiative promotes the exchange of information with executive branch agency officials about pertinent activities within OSIG, as well as relevant issues within agencies. OSIG assigns each special agent and senior investigator as a POC liaison representative for several state agencies. POC liaison representatives meet with assigned agency POC counterparts annually.

Department of Corrections Inmate Complaints

In FY 2023, the OSIG Investigations Unit received 149 Virginia Department of Corrections inmate complaints expressing a variety of concerns. The Chief of Investigations reviewed, processed and addressed all complaints appropriately.

Education and Training Opportunities

Investigations Unit staff attended 765 hours of training in FY 2023:

- 28th Annual Williamsburg Advanced Fraud Academy.
- Certified Inspector General Investigator.
- Certified Inspector General Evaluator.
- Elder Abuse & Exploitation.
- Ethical Decision Making.
- Executive Leadership Institute.
- Financial Records Examination and Analysis.
- Firearms Instruction.
- Implicit Bias in the Workplace.
- Mental Health and Crisis Intervention.
- Professional Ethics & Liability.
- Research Methods for Government and Public Affairs.
- Various fraud-related online webinars/trainings.
- Virginia legal updates.



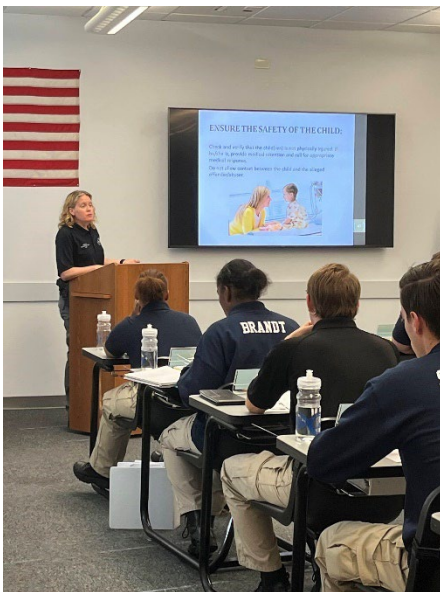
OSIG special agents conduct firearms training at the Crater Criminal Justice Training Academy shooting range in May 2023. In-service training is required annually, but OSIG conducts this training biannually for its sworn personnel.

Certifications, Staffing and Accomplishments

- Investigation Unit staff hold 37 certifications and advanced degrees.
- A chief, five special agents, one accreditation manager and one forensic analyst staff the Criminal Investigations Unit.
- Chief of Investigations Katrina Goodman, Accreditation Manager Elizabeth Knudson and special agents Susan Day and John Sutherland are general instructors with the Virginia Department of Criminal Justice Services.
- Special Agent Susan Day is a firearms instructor.

Criminal Investigations Unit Certifications/Advanced Degrees by Type	
Basic Law Enforcement	6
Certified Fraud Examiner	6
Certified Inspector General Investigator	6
Certified Inspector General Evaluator	1
DCJS General Instructor	4
Certified Fraud Investigator	2
Certified Forensic Interviewer	2
Virginia Contracting Associate	2

Virginia Law Enforcement Professional Standards Commission Senior Assessor	1
Certified Cyber Crime Examiner	1
DCJS Firearms Instructor	1
Virginia Crime Information Network Operator	1
Master of Science in Criminal Justice	1
Master of Arts in Intelligence Studies	1
Master of Business Administration	1
Master of Science in Criminal Justice-Public Administration	1
Total	37



Chief Katrina Goodman (left) and Accreditation Manager Elizabeth Knudson (right) taught courses on child abuse/autism and elder abuse at Crater Criminal Justice Training Academy on July 29, 2022, and March 10, 2023.



Accreditation

OSIG continued the process of obtaining initial accreditation through the Virginia Law Enforcement Professional Standards Commission and the Commission on Accreditation for Law Enforcement Agencies accrediting entities. The entire process, from application to assessment, can take up to 36 months and involves extensive policy revision and the gradual implementation of new or revised procedures.

Law Enforcement Liaison and Intelligence Resource Partnerships

Pursuant to *Code of Virginia § 2.2-311*, OSIG maintains a formal Memorandum of Agreement with the Virginia State Police.

OSIG collaborated with the following agencies on cases of mutual interest during FY 2023:

- Henrico Police Department.
- Suffolk Police Department.

- Virginia State Police.
- Federal Bureau of Investigation.
- Office of Inspector General of the U.S. Department of Labor.
- U.S. Department of Homeland Security.
- U.S. Postal Service.
- U.S. Department of State.

The Investigations Unit participates in regularly scheduled meetings or collaborates with the following law enforcement and professional criminal justice affiliated entities:

- Central Virginia Financial Compliance Task Force.
- Central Virginia Law Enforcement Chief Executives Association.
- Commonwealth Managers Association.
- Federal Bureau of Investigation.
- Fraud Liaison & Alert Group.
- Internal Revenue Service — Criminal Investigations Division.
- International Association of Financial Crimes Investigators.
- Newport News Financial Crimes Task Force.
- Public Corruption Workgroup with the FBI and Virginia State Police.
- Virginia Association of Chiefs of Police.
- Virginia State Police, Bureau of Criminal Investigations.
- U.S. Postal Service's Financial Crimes Task Force.
- U.S. Secret Service.



Left: Chief Katrina Goodman completes the Professional Executive Leadership School (PELS), an intensive three-week law enforcement leadership program at the University of Richmond in November 2022.
 Center: Supervisory Special Agent Chris Harris completes Supervisor & Manager Bootcamp offered by VCU 's Performance Management Group in March 2023.
 Right: Accreditation Manager Elizabeth Knudson is awarded her Senior Assessor Certificate in September 2022.

The Investigations Unit maintains membership in the following criminal intelligence and investigative resource organizations:

- National White Collar Crime Center.
- Newport News Financial Crimes Task Force.
- Regional Organized Crime Information Center.
- Virginia Fusion Center.

The Investigations Unit observes the applicable professional education and training requirements of the following:

- Association of Certified Fraud Examiners.
- Association of Inspectors General.
- Crater Criminal Justice Training Academy.
- Department of Criminal Justice Services.
- International Association of Interviewers.
- Virginia Institute of Procurement.

STATE FRAUD, WASTE AND ABUSE HOTLINE

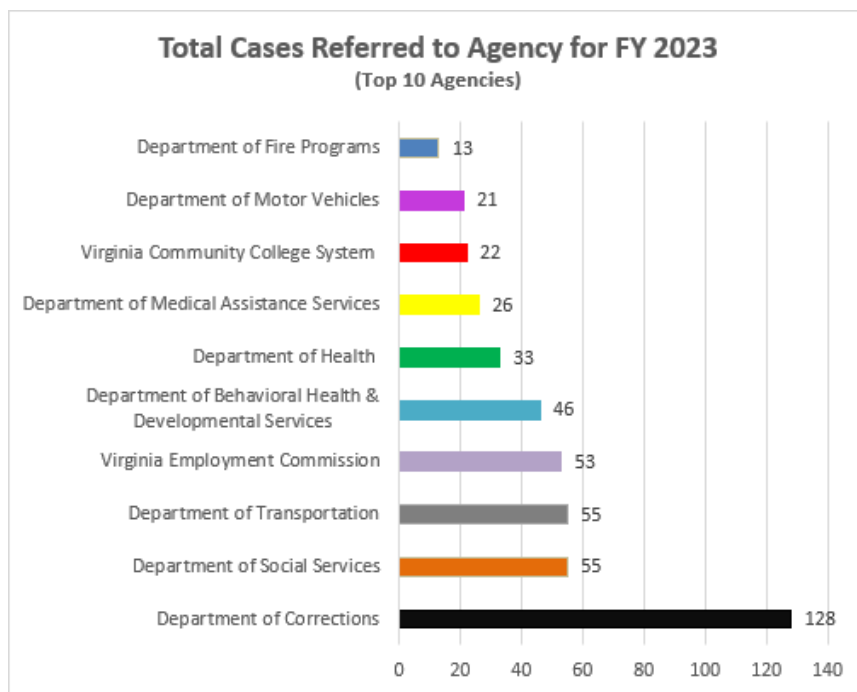


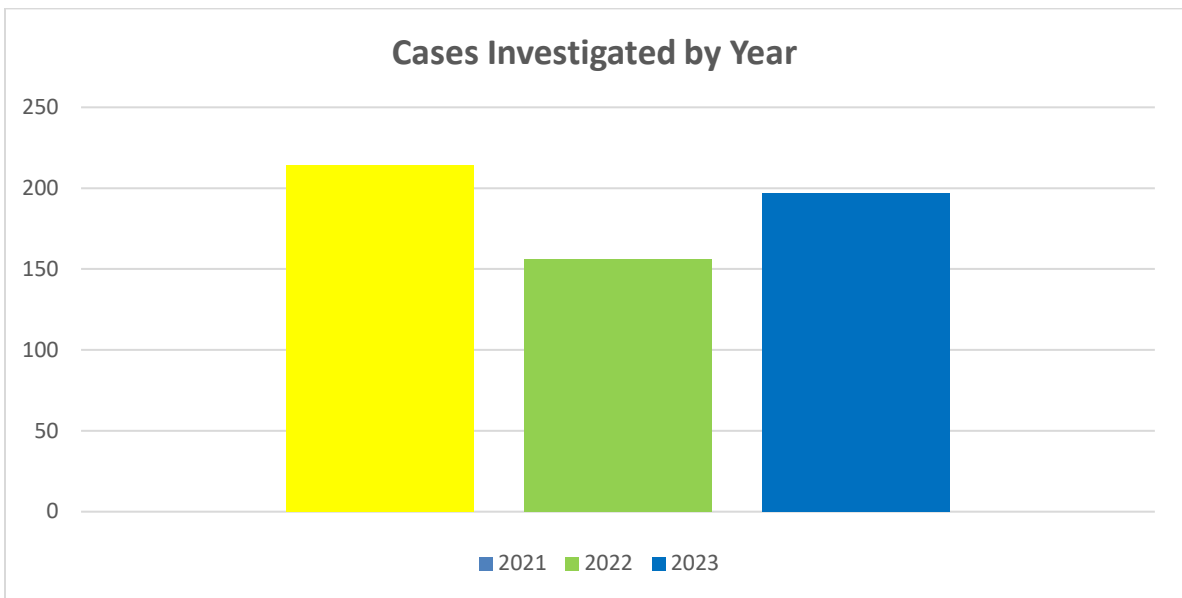
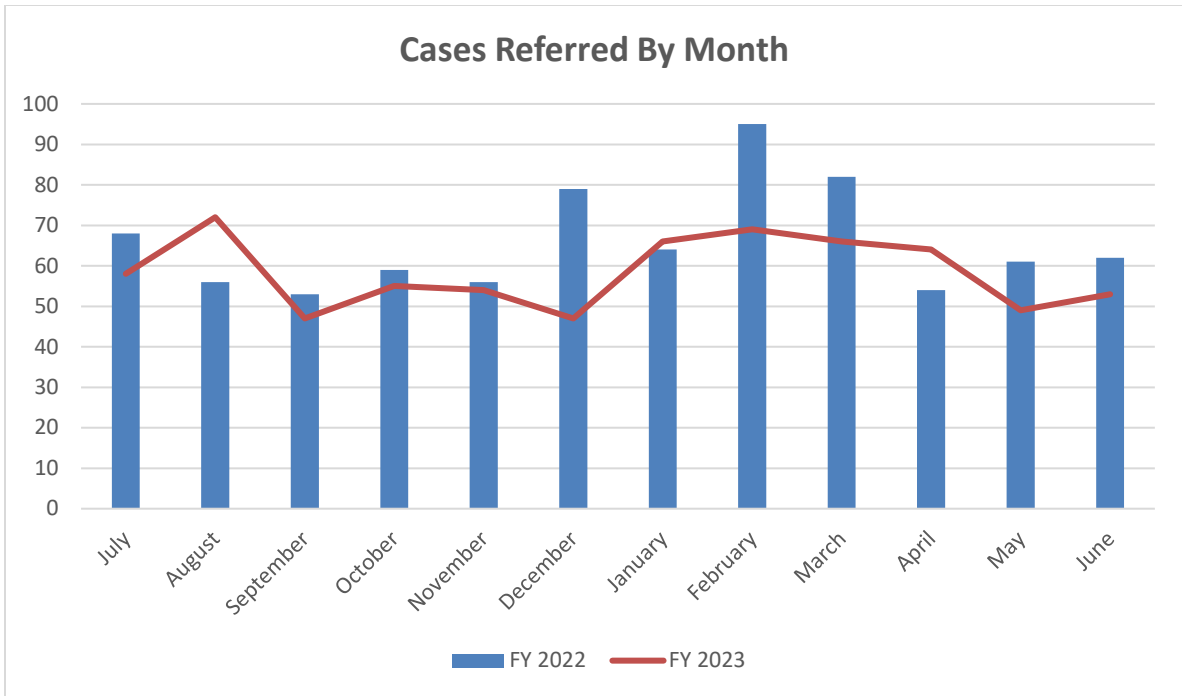
FY 2023 Hotline Statistics

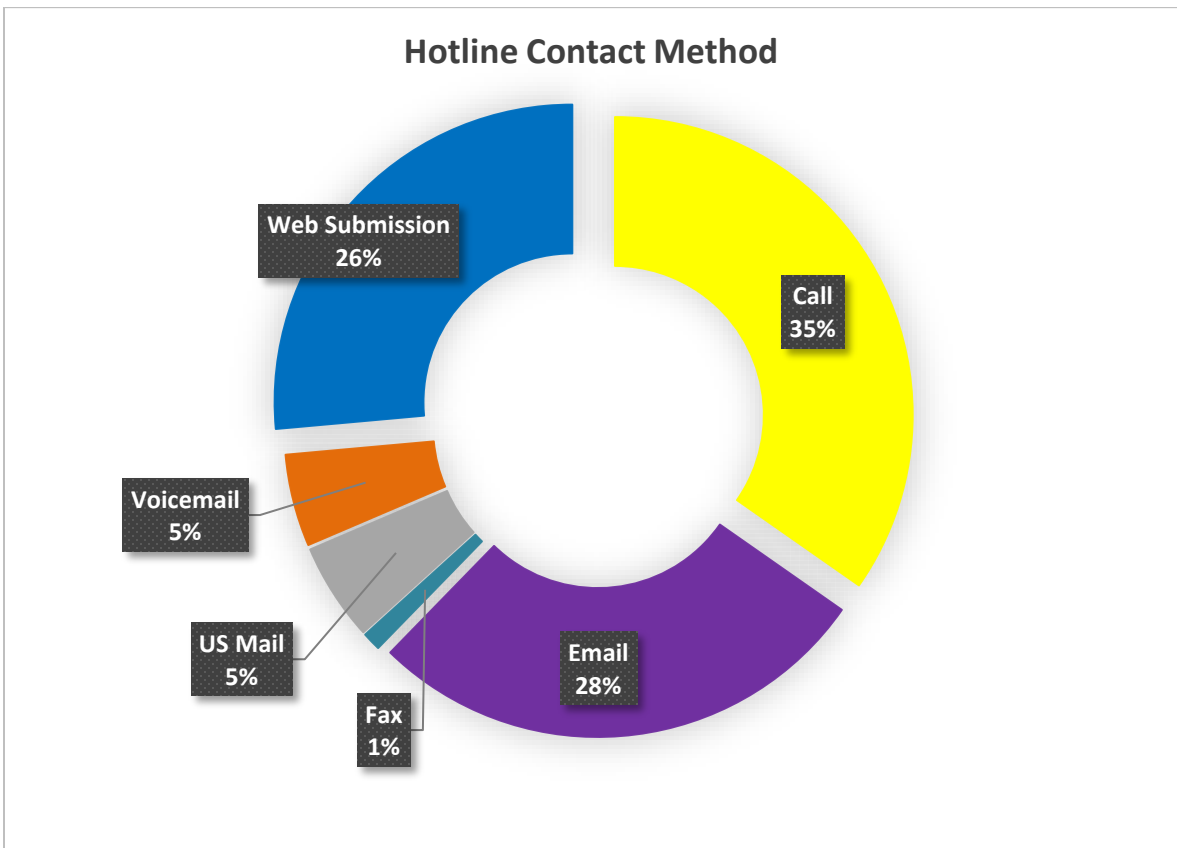
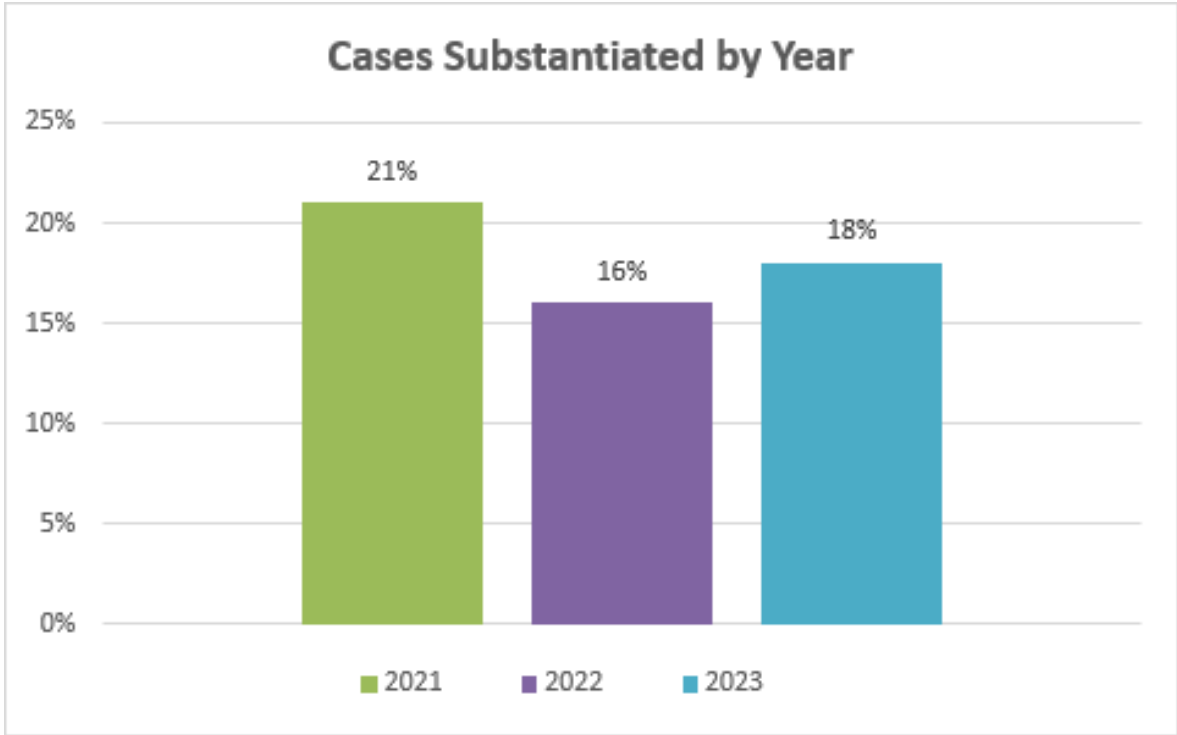
- Of the 1,623 contacts received, OSIG determined 197 calls or 344 allegations met the criteria for fraud, waste or abuse and required a formal investigation.
- The most common allegations received were employee misconduct; poor internal policies or noncompliance with an agency's internal policy; waste of state funds; improper hiring, including violations of state policies; misuse of state-owned vehicles and operating inefficiencies.
- Of the 182 Hotline cases closed, 18 percent were substantiated, 69 percent were unsubstantiated, 10 percent were multiple allegations with both unsubstantiated and substantiated findings and 3 percent were inconclusive.
- Hotline investigators investigated 24 Hotline calls with allegations that involved an agency head, internal audit employee, an at-will employee or an agency that does not have an internal audit program. This resulted in 11 recommendations made to the agencies because of an investigation.
- OSIG conducted eight workpaper reviews of an internal audit program where the program performed investigations for the Hotline, and completed 45 investigative review follow-ups for compliance with recommendations.



OSIG senior investigators Arreal Parson and Jennifer DeVaughn promoting the agency at Government Innovation Virginia 2023 on April 12, 2023.









Senior investigator Ephfrom Walker educates a state employee about the State Fraud, Waste and Abuse Hotline.

Hotline Outreach

Hotline staff presented at numerous events, which totaled more than 63 hours of state employee or citizen contact. Staff coordinated education with multiple state agencies to include: the Department of Human Resource Management, the Department of Corrections, the Department of Medical Assistance Services, the Virginia Department of Emergency Management, and the Virginia Department of Health. Staff also participated in the following events:

- DHRM Wellness Event
- Government Innovation Virginia
- On the Square Kickoff and Farmer's Markets
- Williamsburg Fraud Conference
- Virginia Government Finance Officers Association Spring Conference

Education and Training Opportunities

Hotline staff attended nearly 350 hours of training in FY 2023, including:

- Practical Skills in Financial Investigations.
- Certified Fraud Examiner Certification Course and webinars.
- Certified Inspector General Investigator Certification Course.
- Various other fraud, investigative and procurement training.

Certifications, Staffing and Accomplishments

- Hotline staff hold 11 certifications and/or advanced degrees.
- A State Hotline Manager and three senior investigators staff the State Fraud, Waste and Abuse Hotline.
- Two new senior investigators joined the team this year and brought a wealth of knowledge and certifications with them, including CPR/AED instructor and vast compliance and investigative skills.
- Senior investigator Ephfrom Walker completed his required continuing education to maintain status as a Certified Public Accountant and obtained his Certified Fraud Examiner certification.
- Senior investigator Jennifer DeVaughn attended training from the Association of Inspectors General and earned the status of Certified Inspector General Investigator.
- State Hotline Manager Richard Scholl attended numerous investigation trainings to maintain status as a Certified Fraud Examiner and Certified Inspector General Investigator.

Hotline Staff Certifications/Graduate Degrees by Type	
Certified Inspector General Investigator	3
Certified Public Accountant	1
Certified Fraud Examiner	2
Certified CPR/AED Instructor	1
Certified Forensic Interviewer	1
Master of Public Administration	1
Juris Doctorate	1
Virginia Contracting Associate	1
Total	11

HEALTHCARE COMPLIANCE UNIT

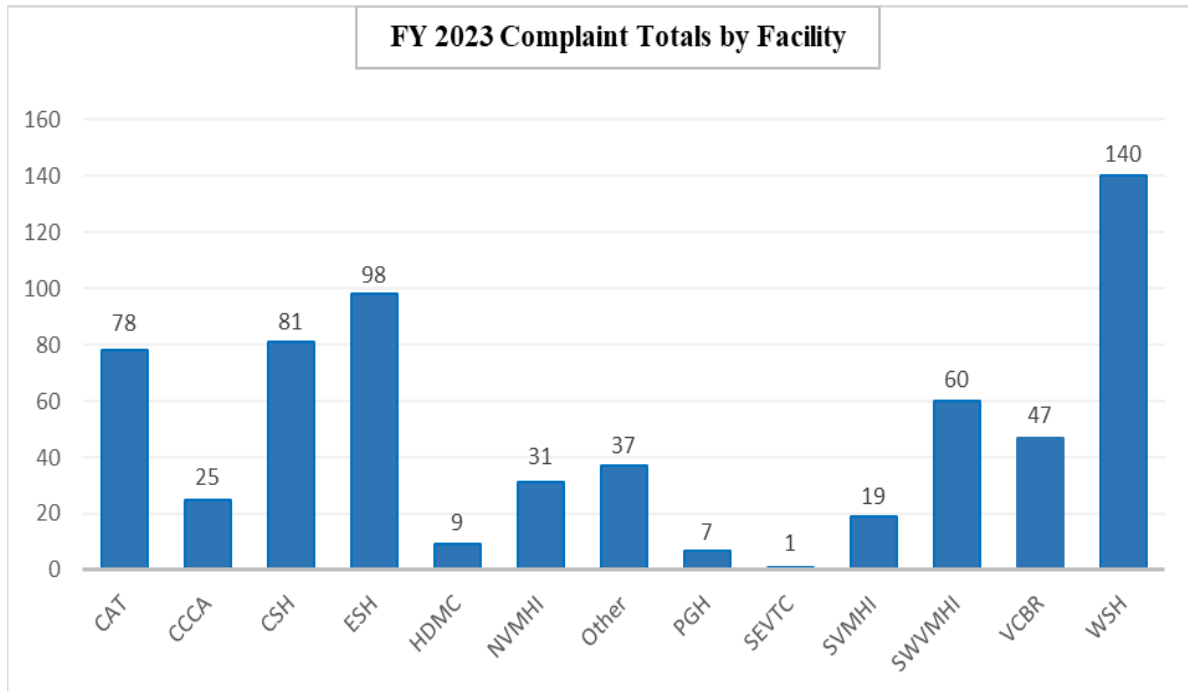


OSIG's healthcare compliance legislative mandates are described in *Code of Virginia* § [2.2-309.1](#) and include:

- Inspecting, monitoring and reviewing the quality of services at state-operated facilities and more than 1,000 licensed providers of behavioral health, substance abuse and developmental services.
- Ensuring that the General Assembly and Joint Commission on Health Care are informed about significant problems, abuses and deficiencies.
- Investigating specific complaints of abuse, neglect or inadequate care.
- Reviewing, commenting on and making recommendations about any reports prepared by DBHDS, as appropriate, and the critical incident data collected by DBHDS.

Monitoring Activities

The Healthcare Compliance Unit processed 633 complaints in FY 2023.



Legend	
SEVTC - Southeastern Virginia Training Center	CAT - Catawba Hospital
HDMC - Hiram Davis Medical Center	SWVMHI - Southwestern Virginia Mental Health Institute
PGH - Piedmont Geriatric Hospital	VCBR - Virginia Center for Behavioral Rehabilitation
CCCA - Commonwealth Center for Children & Adolescents	OTHER - Community Services Board or Private Provider
NVMHI - Northern Virginia Mental Health Institute	CSH - Central State Hospital
SVMHI - Southern Virginia Mental Health Institute	WSH - Western State Hospital
ESH - Eastern State Hospital	

Education and Training Opportunities

HCU staff attended nearly 138 hours of training in FY 2023:

- Intro to Project Management.
- Performance Auditing.
- HIPAA Privacy and Security.
- Ethics, Audit and Risk Insights.
- CPR Training.
- Revive Training.
- Bloodborne Pathogen.

Certifications, Staffing and Accomplishments

- HCU is comprised of a healthcare compliance manager, two healthcare compliance specialists and a medical officer.

HCU Certifications/Graduate Degrees by Type	
Doctor of Medicine	1
Doctor of Health Sciences	1
Master of Public Administration	1
Master of Arts in English	1
Licensed Practical Nurse	1
Assistive Technology Professional	1
Certified HIPAA Compliance Officer	1
Certified Healthcare Compliance Officer	1
Total	8

ADMINISTRATION DIVISION



OSIG staff Chief Deputy Inspector General Corrine Louden, Senior Auditor Leigh Anne Stacklin, Business Coordinator Lorne Powell, Special Agent Pat Brown, Staff Auditor Kapua Jacunski, and Senior Auditor Shaquey Wragg joined staff in celebrating Virginia Public Service Week through an “Office Olympics” week-long event and celebration during May 8-12, 2023.

INTERNAL AUDIT OVERSIGHT & TRAINING SERVICES



OSIG’s Internal Audit Oversight and Training Services’ legislative mandates are delineated in *Code of Virginia* § [2.2-309\[A\]\(10-12\)](#) and include:

- Coordinating and requiring standards for internal audit programs in existence as of July 1, 2012.
- Coordinating and requiring standards for other internal audit programs in state agencies and non-state agencies as needed to ensure that the Commonwealth's assets are subject to appropriate internal management controls.
- Assisting agency internal auditing programs with technical auditing issues and coordinating and providing training to the Commonwealth's internal auditors.

Internal Audit Program Compliance

OSIG Directive 001 was created in accordance with *Code of Virginia* § 2.2-309 to provide Oversight of State and Specific Nonstate Agencies' Internal Audit Programs. The directive requires all executive branch state agencies and institutions with internal audit functions to submit specific documents to OSIG to ensure that the Commonwealth's assets are subject to appropriate internal management control. There are 31 executive branch agencies with an internal audit program, all of which submitted the required documents (with the exception of the Department of Housing and Community Development, which just began their program in June 2023). All of the agencies follow The Institute of Internal Auditors standards, which require internal audit programs to go through an external assessment process every five years to ensure they are in conformance with all IIA standards.

Quality Assurance Reviews

OSIG monitors compliance with The IIA standards and provides a cost-effective alternative with its Quality Assurance Review team to conduct QARs. This team eliminates the need for agencies to contract these services and can save the agency from between \$5,000 to \$30,000 per QAR.

OSIG completed two QARs in FY 2023. Both George Mason University and the Office of Children's Services received an overall rating of "Generally Conforms," which is the highest rating.

Training

OSIG coordinated internal audit training courses in FY 2023. Class size increased significantly over previous years because OSIG offered the classes virtually. The virtual format also resulted in cost savings in time and travel for the 561 participants. Some auditors attended multiple training classes, resulting in a cost savings to their agency and enabling the participants to receive continuing professional education credits from each of the courses attended. Internal auditors from across the Commonwealth who participated in all the classes could earn continuing professional education credits to maintain the certifications necessary for their positions. One of the courses also had an ethics component that satisfied the ethics requirement for certified public accountants and the Institute of Internal Auditors.

Starting in fall 2019, OSIG began offering free training courses to executive branch agency internal auditors. OSIG has a statutory obligation to provide training to this group. OSIG management determined it would help smaller departments with budgetary constraints by providing the training courses at no cost. OSIG offered a total of 79 continuing professional education credits during FY 2023.

Fiscal Year 2023 Training

Name of Course	Date(s)	Number of Students	CPE
Cybersecurity Threats and Attack Vectors Fundamentals	7/19-20/2022	40	8
Auditor Bootcamp I	9/6-7/2022	43	8
Auditor Bootcamp II	10/5-6/2022	41	8
Building Successful Habits	10/18-19/2022	37	8
Roundtable	11/9/2022	34	3
State Updates	12/7/2022	73	4
Auditing Corporate Governance & Culture	1/25-26/2023	74	8
Faith in the Fundamental Principles & Standards: The IIA's Red Book, International Professional Practice	3/14-15/2023	65	8
Internal Audit Best Practices and Fundamental Principles (Two-hour Ethics CE credit for CPA and CIA certifications)	4/18-19/2023	84	8
Continuous Auditing and Data Analytics	5/17-18/2023	54	8
Extreme Risk Based Auditing	5/24-25/2023	50	8

Agency Risk Management and Internal Control Standards

In FY 2023, OSIG completed the Agency Risk Management and Internal Control Standards review in compliance with the Virginia Department of Accounts ARMICS. The program includes agency control environment, risk and financial controls assessments. ARMICS developed fieldwork programs and workpaper templates for OSIG to document current and future years' fieldwork under the standards. OSIG completed requirements before DOA's September 30 deadline. ARMICS fieldwork determined OSIG has a strong internal control program with no significant weaknesses.

INFORMATION TECHNOLOGY SERVICES UNIT



OSIG's Information Technology Services Unit provides technological advancement and support for key initiatives, as well as oversight of policies and procedures that safeguard agency information and assets. The ITS staff, which consists of a manager and an information security officer, accomplished the following in FY 2023:

- Completed a national cybersecurity review.
- Maintained the agency's COV information security standards.
- Installed the evidence room security system.
- Created agency credentials.
- Implemented Single Sign-On for new applications.
- Continued participation in the application migration to Cardinal.
- Refreshed agency computers.
- Continued assistance for agency staff teleworking.
- Reviewed and updated the Annual Risk Assessment and submitted it to VITA Commonwealth Security and Risk Management.
- Reviewed and updated the Business Impact Analysis and submitted it to VITA CSR.M.
- Reviewed and updated the agency Continuity of Operations Plan.
- Performed the annual COOP exercise.
- Reviewed and updated the agency Disaster Recovery plan.
- Participated in the annual COV Disaster Recovery exercise.
- Reviewed and updated agency IT policies.
- Continued IT training for TSS Unit staff.
- Performed IT systems moves, adds and changes.
- Updated and maintained the agency website.
- Maintained VBMSC data sharing site.
- Performed annual sensitive system audit.
- Performed COV Win11 OS build level transition project.
- Performed software upgrades.
- Performed COV messaging mobile device transition project.
- Performed COV NAS server expansion project.

- Implemented Caliber RMS application.
- Created agency IT strategic plan.
- Created VITA agency IT COV strategic plan.
- Implemented new VPN application Global Protect.

COMMUNICATIONS UNIT



In a continuing effort to inform and educate others about OSIG’s mission and activities, staff made several presentations, participated in panel discussions at state and national gatherings, and attended meetings at the:

- Association of Certified Fraud Examiners.
- Association of Government Accountants.
- Association of Inspectors General.
- Association of Local Government Auditors.
- Chief Audit Executive Roundtable.
- College and University Auditors of Virginia.
- Crater Training Academy.
- Longwood University.
- Institute of Internal Auditors.
- National Association of Black Accountants.
- Virginia Local Government Auditors Association.



OSIG staff attend the Association of Inspectors General Conference in Washington, D.C. in October 2022. Left to right: Audit Manager Ben Sutphin, Supervisory Special Agent Chris Harris, Deputy Inspector General – Chief of Investigations Katrina Goodman, Chief Deputy Inspector General Corrine Loudon, and State Inspector General Mike Westfall.

In FY 2023, OSIG drafted and distributed 15 news releases:

July 6, 2023

Unclaimed Property’s Audit & Compliance Program Needs Improvement

The purpose of the Unclaimed Property program is to help reconnect citizens with their assets that have been turned over to the state when companies lose track of the rightful owners.

June 22, 2023

OSIG’S Audit on the Clery Act Aids in Improving Campus Safety

The Office of the State Inspector General found inaccuracies and inconsistencies in the Clery Act reporting process in higher education institutions after a performance audit was conducted.

February 28, 2023

Congratulations to Adam Tagert, OSIG’s Newest Deputy Inspector General

The Virginia Office of the State Inspector General is proud to announce Adam Tagert as the new Deputy Inspector General for the Audit Division.

January 3, 2023

OSIG Investigations Lead to Conviction of Inmate and Others in VEC False Claims

Two OSIG investigations lead to fraud convictions and restitution orders.

October 11, 2022

The State Fraud, Waste and Abuse Hotline Turns 30!

October 2022 marks the 30th anniversary of the Office of the State Inspector General’s State Fraud, Waste and Abuse Hotline.

October 6, 2022

New Certifications Assist Staff to Knock Out Fraud and Assess Law Enforcement Agencies

The Office of the State Inspector General staff continue to earn professional certifications in pursuit of boosting their skills to serve the citizens of the Commonwealth.

October 4, 2022

OSIG Receives Accolades in Peer Review

A peer review team commended OSIG for adhering to professional standards and quality controls to ensure that the agency’s work is of the highest possible quality.

October 3, 2022

OSIG Marks 10-Year Anniversary with Robust Annual Report for FY 2022

OSIG's annual report indicates that investigations, audits and reviews of executive branch agencies resulted in numerous recommendations for improved internal controls, efficiency and effectiveness.

September 29, 2022

OSIG Finds CPS Tracking System Not Sufficient for Managing CPS Program

OSIG Audit report finds that Virginia DSS Division of Family Services staff are concerned that the referral tracking system might not be able to maintain functionality.

August 25, 2022

OSIG Special Agent Chris Harris Promoted to Supervisory Position

Special Agent Chris Harris has been promoted to Supervisory Special Agent at OSIG.

August 24, 2022

OSIG Staff Obtain Professional Certifications

Staff from the Office of the State Inspector General received professional certifications at the recent 2022 Association of Inspectors General Institute.

August 15, 2022

OSIG Staff Sharpen Their Skills for the Good of the Commonwealth

OSIG staff recently obtained certification as members of the Institute of Internal Auditors.

August 12, 2022

OSIG Finds Lessons Learned Not Implemented During I-95 Snow Incident

In its audit of the 2022 I-95 Snow Incident, OSIG found that the Commonwealth did not apply lessons learned from a previous snow incident.

August 9, 2022

Shaquey Wragg Adds New Leadership Role to Resume

OSIG Senior Auditor Shaquey Wragg has taken on a new leadership role.

July 7, 2022

Goodman Adds a New Title to Her OSIG Resume

OSIG has named Chief Katrina Goodman as the new Deputy Inspector General for Investigations.

CONTACT INFORMATION

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Office of the State Inspector General

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Richmond, VA 23218

Phone: 804-625-3255

Fax: 804-786-2341

Email: osig@osig.virginia.gov

Website: osig.virginia.gov

State Fraud, Waste and Abuse Hotline

Reports made to the Hotline are anonymous and confidential.

Toll-free number: (within Virginia): 800-723-1615

Mailing Address:

Attention: State Fraud, Waste and Abuse Hotline

P.O. Box 1151 Richmond, VA 23218

Online form: Complete and submit [online form](#)

Fax: 804-371-0165

Email: COVHotline@osig.virginia.gov

Healthcare Compliance Unit Complaint Line

Phone: 833-333-OSIG (6744)

Email: OSIGBHDSComplaints@osig.virginia.gov

Public Relations

Email: communications@osig.virginia.gov

Twitter: www.twitter.com/VaOSIG

LinkedIn: www.linkedin.com/company/virginia-office-of-the-state-inspector-general