

## Inspector General for Rhode Island

This legislation was prepared with the help of John Gudavich, a Retired Associate Inspector General for Investigations, Office of Inspector General, in Washington, D.C. John has 28 years experience specializing in white color crime.

Introduced each year since 2001, this legislation for an independent Inspector General was modeled after the general laws of Massachusetts, the first state to establish an Office of Inspector General (OIG) in 1981. Since that time, at least seventeen other states and Washington, D.C. have established such offices. Some OIGs are statewide; others are for specific departments within the Executive Branch. States with an OIG include: Virginia, New York, Maryland, Pennsylvania, Illinois, Ohio, Louisiana, California, Florida, Texas, Georgia, Colorado, New Mexico, Kentucky, Oklahoma, New Jersey and Indiana.

Recognizing Rhode Island's huge budget deficit, Operation Clean Government suggests that if Rhode Island had an OIG over the past years, this deficit may not have been as large. Savings in other states have been more than the cost to run the office.

### Examples of Savings by Offices of Inspector General

**Washington DC** – OIG created in 1995. *FY 2010 Annual Report:*

\$25.8 million in total potential monetary benefits by the Audit Division  
(recouping more than \$8 for every dollar invested)

\$2.69 million in restitution orders by the Investigations Division

\$3.6 million total recovery for the Medicaid program (recouping more than \$5 for every dollar of funding)

**Indiana** – OIG created in 2005. *The 2009 Annual Report:*

Total Operating Expenses for 2005-2008 at \$6.0 million

Total Savings & Captures for the same period \$12.4 million

**Ohio** – OIG created in 1988. *The 2009 Annual Report*

More than \$233 million in cost savings since 2004

**Texas** – OIG created in 1999 for Health and Human Services. *The Annual Report for State Fiscal Year 2009:*

\$338.5 million in total recoveries which includes actual collections, recoupments, and/or hard dollars

**Pennsylvania** – Governor's Exec order 1987 – *2009-2010 Annual Report*

IG oversees 7 satellite IG's in seven executive departments

\$60.4 million saved – welfare fraud prevention activities

**Massachusetts** – OIG created in 1981. *2009 Annual Report:*

\$458 million from Big Dig Contractors in 2008 recovered with efforts of OIG

**New York** – Office of the Medicaid Inspector General created in 2006. *2009 Annual Report*

\$1.61 billion in cost savings activities in 2009

**Maryland** – OIG for the Department of Health and Mental Hygiene. *The Annual Report for Fiscal Year 2008:*

\$21 million – cost avoidance, recovery and retraction finance

*Note:* In addition to identifying monies recovered by OIGs, there are other cost savings that cannot be determined, since all OIGs are proactive as well as reactive, thus preventing fraud, waste and abuse from taking place by focusing on preventing problems.