

May 19, 2026

Via Electronic Mail

The Hon. Louis P. DiPalma, Chair
Senate Finance Committee
SenateFinance@rilegislature.gov

Re: Senate 2023, An Act Relating to State Affairs and Government – Inspector General

Dear Chair DiPalma:

I write to provide testimony on Senate Bill 2023, *An Act Relating to State Affairs and Government – Inspector General*, which would create an Office of the Inspector General (OIG) in Rhode Island. While I will not address the specifics of the bill, I would like to discuss the merits of having a statewide inspector general. My comments will focus on my experience and that of Massachusetts, the national trends, and the key principles which should be part of an independent statewide office of the inspector general. I have also attached my testimony before your committee last May for your reference as it is still relevant to this topic.

MA OIG Overview

I am honored to serve as the 5th Inspector General for the Commonwealth of Massachusetts. Next month, the Massachusetts Office of the Inspector General (MA OIG) is celebrating the 45th anniversary of the first Inspector General, Joseph Barresi, taking office. This was the first time a statewide inspector general's office had been established in the country. As you may remember from my testimony last year, the MA OIG was born out of a series of corruption scandals related to public construction. Despite having both a State Auditor and State Attorney General, the commission charged with looking into what had led to the scandals noticed a gap in jurisdiction. The Massachusetts Legislature created the MA OIG to fill that gap through initiating investigations based on tips, complaints or proactively in real time and making real time referrals. But they didn't stop there. They also granted the MA OIG broader authority around procurements, training and compliance.

I am proud to say that 45 years later establishing the MA OIG has proven to offer significant returns on investment. On top of the funds returned to the public, the MA OIG has expanded education and training on public procurement, contract administration, fraud awareness, proper use and management of federal pandemic relief funds and many other topics. Furthermore, the office is responsible for the oversight of the quality, efficiency, and integrity of the operations and programs of various state agencies.

Our [2025 Annual Report](#), just published last month, details the work of the MA OIG since I testified before you in May 2025. I think you will find as you look through it that an OIG can have a significant impact on governmental operations and the prevention and detection of fraud, waste and abuse in the expenditure of public funds. I will just touch on some of the highlights. In 2025, the MA OIG issued 23 public investigatory reports and letters, fielded over 2,000 hotline complaints and responded to over 1,100 procurement support requests.

National Trends

As a member of the Board of Directors of the Association of Inspectors General (AIG), I have witnessed the recent momentum in the creation of inspectors general throughout the country. In March 2025, I testified before the Delaware Senate Executive Committee on the creation of an OIG in their state. I am happy to report that Delaware created an OIG and their first inspector general was sworn in earlier this month. Minnesota passed a bill which the governor signed last week to create a statewide OIG in that state. That brings the total number of states with a statewide inspector general to 14. In the past year, other states, including Nevada, have also considered legislation to create a state inspector general. And that does not take into account the numerous municipal, county or agency OIGs that exist or are under consideration as well.

Key Principles

As you consider creation of a statewide OIG in Rhode Island, you should keep in mind the principles that make an independent and effective OIG. An OIG should be defined by key elements that are outlined clearly in statute. The statute must lay out specific qualifications for the inspector general and staff. The OIG must have specific enumerated powers and specific authority to conduct specific functions. Investigations must be kept confidential until completion. The statute should also provide whistleblower protections for those who have information that could be pertinent to the OIG's work. Appointment, terms, removal, organizational placement, and funding must all support the idea of independence of an OIG. These key principles are detailed by the AIG in its Principles and Standards for Office of Inspector General.

In Conclusion

In closing, I would like to share my appreciation for Rhode Island's bi-partisan efforts to statutorily create an inspector general's office. The establishment of a truly independent, non-partisan, fully-funded inspector general can instill confidence and help make government work better tomorrow than it works today. I hope Rhode Island will soon be added to the list of states which have established a statewide OIG.

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If you have any questions, please do not hesitate to contact me at 617-722-8806 or Jeffrey.S.Shapiro@mass.gov or Joshua Giles, Director of Government Outreach and Public Policy, at 617-722-8828 or Joshua.Giles@mass.gov. Thank you for your consideration.

Sincerely,



Jeffrey S. Shapiro, Esq., CIG
Inspector General

Enclosure
cc (by email):

The Hon. Jessica de la Cruz, Senate Minority Leader
Joshua Giles, Director of Government Outreach and Public Policy, OIG
Nataliya Urciuoli, Senior Executive Assistant, OIG

**Testimony of Inspector General Jeffrey S. Shapiro, Esq., CIG,
for the Commonwealth of Massachusetts
Regarding Senate Bill 0038, An Act Relating to State Affairs
and Government - Inspector General**

**Before the Rhode Island Senate Finance Committee
May 6, 2025**

Chair DiPalma and members of the Senate Finance Committee:
Good day.

Before I begin, I would like to extend my sincere condolences to the friends, family and colleagues of the late Senate President Dominick Ruggerio. He was clearly devoted to the people of this state, and I am sure his absence is deeply felt.

Thank you, Minority Leader de la Cruz and Communications Director Lee Ann Sennick, for arranging my presence today.

Thank you, Chair DiPalma, for today's invitation and for the opportunity to testify before your committee. I am honored to be here before you.

My name is Jeffrey Shapiro, and I am the statewide Inspector General for the Commonwealth of Massachusetts.

Your Neighbor

I come before you today as a proponent of independent government oversight. As a professional, I have over 34 years of public sector experience, having served in various legal, administrative, and fiscal roles on the county, state and federal levels.

As the Inspector General of a neighboring state, I am here today to offer my perspective on the value of a statewide office of the inspector general. I understand that your vision for the office and overall goals and objectives may differ and that what works in Massachusetts does not necessarily work here in Rhode Island. Additionally, several other states have successful IG models, and several others join with you in working to statutorily create such an office.

My comments are not directed at this specific proposal, because, in my view, it is more important to focus on the key principles of an office of the inspector general than all the elements within your bill. Nonetheless, I do hope that my comments will demonstrate the value of establishing an office of the inspector general and affirm the key principles necessary in creating a true OIG.

MA OIG Overview

Created by the legislature in 1980, with the first inspector general appointed in 1981, the Massachusetts Office of the Inspector General is the first statewide inspector general's office in the country. It is also the only statewide inspector general with state and municipal oversight. In total, the office has oversight of roughly \$120 billion in municipal and state spending and can oversee the work of about 300,000 public employees, vendors, contractors, and non-profit leaders. Currently, the Office has a budget of approximately \$10 million and a staff of 90 employees.

The OIG's enabling statute provides the office with a clear mandate and the means to carry it out. We can obtain information from all agencies, secretariats, constitutional offices, departments and branches of government at the state and local levels, except for the Legislature. We can access records and interview individuals. We have subpoena power and can compel an interview in a private session, which is essentially a deposition, with IG Council authorization.

The IG may open investigations proactively, or in response to the more than 2200 tips we receive on our hotlines annually. Any outside individual or entity can make a request for us to investigate something, but short of a statutory requirement, which is rare, the IG cannot be made to investigate or not investigate something. Ultimately, the discretion regarding what we investigate resides solely with the Inspector General.

The OIG has a variety of tools available to combat fraud, waste and abuse and we match the tool with the objective. For example, an OIG investigation that uncovers a fraud scheme perpetrated by individuals with nefarious intent would likely result in a criminal referral to the US Attorney, the Attorney General or a local District Attorney. Those agencies use their own independent discretion to determine if prosecution is appropriate.

In instances that may not be appropriate for a criminal referral, we may seek a civil recovery of the funds that were fraudulently obtained, pursue repayment of funds, or cancel improper contracts.

Our Annual Report for 2024 was published last week, which describes our work in detail. Some highlights include:

We issued 10 reports and 77 public letters. These reports and letters addressed issues of poor management of public resources, made corrective recommendations, recovered or sought repayment of funds, or identified improper procurements. The OIG also proposed legislative changes, worked with executive agencies to improve their controls and program integrity as well as identified areas for improvement.

Equally important, the OIG is also charged with preventing fraud, waste, and abuse, which we do through the OIG Academy, our education and training division. In 2024, we offered over 100 training classes to approximately 2,000 people. Our Public Procurement Technical Assistance helpdesk answered more than 1,200 requests for assistance last year. We issued four advisories that contained general recommendations to specific stakeholders on strengthening protections against fraud, waste and abuse.

Since the OIG is also responsible for oversight for the 351 municipalities across Massachusetts, I regularly travel around the state to meet with stakeholders in their communities, to better understand the challenges they are facing. In 2024, I held more than 130 meetings with federal, state and local stakeholders. Several successful initiatives resulted from these conversations including a legislative change to the procurement process for electric vehicles and their associated charging infrastructure, a new delivery method for our procurement certification classes, and changes to procurement practices.

Key Principles

As detailed by the Association of Inspectors General in its Principles and Standards for Office of Inspector General, an OIG should:

- Have a clear mandate,
- Specific authority to conduct specific functions,
- Specific enumerated powers,
- Confidentiality,
- IG and staff specific qualifications,
- Independence – appointment, term, removal, organizational placement, funding, and
- Whistleblower protection.

Inspectors general have extraordinary powers to hold government officials accountable, investigate and expose public corruption, and work with government agencies to promote efficient and cost-effective operations. As such, an inspector general's office should be non-partisan, independent with the ability to follow the facts, wherever they lead. An OIG must be able to operate without fear or favor.

Return on Investment

We view our value or return on investment as falling into three categories:

1 - The first being Dollars and Cents.

In calendar year 2024, the OIG led investigations that resulted in over \$1 million in restitution orders and civil recoveries and recouped \$1 million in past due commercial lease payments on state-owned property, among others.

We issued a report with the findings of our review of a 20+ year lease of an old department store, the Star Store, in New Bedford by the Commonwealth for the benefit of the University of Massachusetts at Dartmouth. Our investigation found that a lack of responsibility by state agencies resulted in a waste of over \$4 million in public dollars by overstaying the lease and during the twenty-year term of the lease millions more was wasted in public funds. I am pleased that the Division of Capital Asset Management and Maintenance for the Commonwealth has hired two long-term lease managers, which was one of many recommendations that we made. I am hopeful that this will prevent poor management of long-term leases going forward.

2 – The second being Education, Training & Prevention.

Beyond the funds returned to the public coffers, our statutory mandate requires the office to look at return on investment in a broader and deeper manner to include prevention and more effective state agencies.

Under my leadership, we have expanded training through the OIG Academy on public procurement, contract administration, fraud awareness, proper use and management of federal pandemic relief funds and many other topics. The Academy also offers the Massachusetts Public Purchasing Official designation. The MCPPO Designation is a widely recognized credential indicating an individual's knowledge of Massachusetts procurement laws and best practices. We also have a technical support team that provides guidance on public procurement.

The return on investment on our prevention efforts is more complicated to determine. How can one calculate:

- The dollar value of a bad procurement that didn't happen because of training or access to resources and assistance.
- The amount of public money not misused because a town manager received one of our Advisories and instituted internal controls that separate functions such as deposits and account reconciliation.
- Lower costs because a procurement was conducted in a proper, transparent manner.

We do measure students trained, courses taught, procurement certifications earned, technical assistance calls responses – to name a few measures. I would also note that last year, from our course registration fees, the OIG sent around \$900k in earnings to the Commonwealth's General Fund.

3 – Quality, Efficiency & Integrity.

Finally, in addition to our broad state and municipal authority to detect and prevent fraud, waste, and abuse, three of the OIG's divisions were created by statute and have specific oversight of the quality, efficiency, and integrity of the operations and programs of the Department of Transportation, the Executive Office of Health and Human Services and the Massachusetts State Police. In addition to preventing and detecting fraud, waste and abuse, these units work in partnership with their respective agencies to perform detailed reviews and evaluations of various aspects of operations such as governance, risk management practices, internal controls as well as monitoring policy changes, intake procedures and other functions.

Again, it is difficult to calculate:

- How much public money is not wasted because a state agency follows our recommendations to institute internal controls to mitigate risk of overtime fraud.
- The impact of implementation of a secretariat-wide compliance program and chief compliance officer position based on our recommendations.
- Or when a human service facing agency revamps its in-take process to better serve its clients, based upon an OIG project.

In Conclusion

I commend you for your continued, bi-partisan efforts to establish an office of the inspector general here in the Ocean State. The establishment of a truly independent, non-partisan, fully funded inspector general can instill confidence and make government work better tomorrow than it did today.

Chair DiPalma– with your permission and consistent with the committee's practice, I would be happy to answer any questions that you or members of the Committee may have.

Thank you.