



ANNUAL REPORT

FISCAL YEAR 2025

OFFICE OF THE STATE
INSPECTOR GENERAL

MICHAEL C. WESTFALL, CPA
STATE INSPECTOR GENERAL
REPORT NO. 2025-ADM-002



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MESSAGE FROM THE STATE INSPECTOR GENERAL

Growth.

This is the word that best describes OSIG's 2025 Fiscal Year.

Growth in our building, as we moved offices from the James Monroe Building up the street to the newly refurbished historic row houses, Reid's Row.

Growth in our professional reputation, as we earned accreditation with the Commission on Accreditation for Law Enforcement Agencies (CALEA). OSIG now holds dual accreditation at the national and state level (through the Virginia Law Enforcement Professional Standards Commission), making us the only Inspector General office in the nation to earn both.

Growth in our numbers, as we added the new Corrections Ombudsman Unit to our ranks (as well as our first Virginia Management Fellow).

Growth in our work, as our caseloads and output increased from previous years. Rest assured - this does not indicate a rise in fraud, waste, or abuse in the Commonwealth; instead, more citizens are aware of OSIG and are reaching out to us for assistance.

Growth in our public profile, as more of our audits and reports received local and national attention and earned praise from taxpayers and elected officials.

In FY 2025, OSIG processed 2,540 citizen inquiries, a 278% increase from the year before. The Hotline also processed 2,558 calls, emails, and voicemails, and assigned 247 cases for investigation (totaling 378 separate allegations). OSIG's Criminal Investigations Unit opened 29 investigations and closed 30 cases.

The Audit Unit published five performance audits and a follow-up report. Healthcare Compliance Unit staff processed 501 calls, emails, and voicemails. Fifty-six meetings have been held by our special agents and hotline investigators with executive branch agency points of contact. And our staff wrapped up a cumulative 2,452 hours of continuing education, training, and certification study.

Meanwhile, the newly-created Corrections Ombudsman Unit processed 783 complaints in Q3 and Q4 (while Q1 and Q2 were spent hiring and training staff). In a very short time, this Unit has published findings of three unannounced facility inspections as well as its first Ombudsman Annual Report.

As a cherry on top, our staff also voted OSIG a 2025 Top Workplace through the Richmond Times-Dispatch survey.

It is my pleasure to share another year of incredible work here at the Office of the State Inspector General.

Michael C. Westfall, CPA
State Inspector General

The Executive Team

Corrine Louden, Chief Deputy Inspector General



Corrine Louden has served OSIG since August 2018, overseeing the Business Office, Information Technology, Communications, and Ombudsman units. With over 23 years in state government, Chief Deputy Inspector General Louden has held the positions of auditor with Longwood University (where she is a double alum), the Auditor of Public Accounts, and Virginia State Police; Controller for Virginia Resources Authority; and Hotline Investigations Supervisor for the Virginia Department of Corrections. A native of Oxfordshire, England, Chief Deputy Inspector General Louden is a Certified Inspector General, Certified Internal Auditor, Certified Investments and Derivatives Auditor, and holds a Certification in Risk Management Assurance. She holds local and national positions in various professional organizations and serves on the Freedom of Information Advisory Council.

Katrina Goodman, Deputy Inspector General of Investigations

The Deputy Inspector General of Investigations (Chief) since March of 2019, Chief Goodman oversees the Criminal Investigations Unit, Accreditation Program, and the Hotline Unit. Previous to OSIG, Chief Goodman served at the former Virginia Department of Alcoholic Beverage Control (ABC) Bureau of Law Enforcement, and the Roanoke County and City of Lynchburg police departments. A Longwood University double alum, she holds both a Master's and Bachelor's degree in Sociology/Criminal Justice. She is a Certified Virginia Law Enforcement Command Executive, a Certified Forensic Interviewer, Certified Fraud Examiner, and Certified Inspector General Investigator.



Adam Tagert, Deputy Inspector General of Audit and Compliance

A VCU graduate with a Bachelor of Science in Accounting, Tagert is the Deputy Inspector General of Audit and Compliance at OSIG. He has served in various audit roles at the Auditor of Public Accounts, Capital One, Circuit City, and the Virginia Department of Health. He has been with the Commonwealth of Virginia for over 21 years and with OSIG for over 11 years. Deputy Inspector General Tagert is a Certified Internal Auditor, Certified Government Auditing Professional, and Certified Inspector General Auditor. He enjoys working at OSIG and greatly appreciates the opportunity to work with other agencies to improve programs, services, and activities offered by the Commonwealth.



OSIG HIGHLIGHTS

OSIG Earns CALEA Accreditation

On July 27, 2024, OSIG officially earned law enforcement accreditation by the Commission on Accreditation for Law Enforcement Agencies (CALEA).

This newest accolade follows OSIG’s 2024 accreditation through the Virginia Law Enforcement Professional Standards Commission (VLEPSC). OSIG is currently the only Inspector General office in the nation to achieve a “dual accreditation” status.

Led by Accreditation Manager Elizabeth Knudson, OSIG met predesignated “standards” within law enforcement and public safety agencies, including firearm instruction, de-escalation trainings, and storage requirements of investigation files.

CALEA standards are created by the National Sheriff’s Association, the International Association of Chiefs of Police (IACP), the National Organization of Black Law Enforcement Executives (NOBLE), and the Police Executive Research Forum.



(from left) CALEA Executive Director W. Craig Hartley, Jr., OSIG Inspector General Westfall, Accreditation Manager Elizabeth Knudson, Chief Goodman, Chief Deputy Inspector General Louden, Forensic Analyst Charen Johnson, and CALEA Commission Chairman Marlon Lynch.



“Congratulations to OSIG on their dual accreditation. Virginians deserve the highest standards of performance from their government and OSIG is a prime example of what it means to be best-in-class.”

~Virginia Governor Glenn Youngkin~

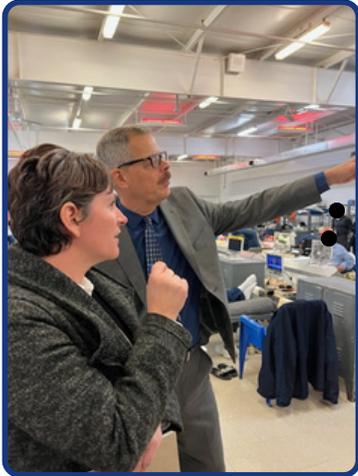
The New Ombudsman Unit

In September 2024, OSIG announced the hiring of Corrections Ombudsman, Andrea Sapone. Sapone has led the creation of OSIG's Corrections Ombudsman Unit, a new team established in SB 456 and signed into law by Governor Glen Youngkin in April 2024.

The Ombudsman Unit was created to provide independent oversight of the Virginia Department of Corrections and its management of the state's correctional facilities.



OSIG Ombudsman Andrea Sapone (center) with her team of Ombudsman Specialists.



Inspector General Westfall and Ombudsman Sapone at an inspection of a state correctional facility.

Sapone has been tasked with building the new unit, including hiring and training five Ombudsman specialists, conducting unannounced inspections of state correctional facilities, and establishing protocols to investigate inmate complaints.

OSIG also facilitates the Corrections Oversight Committee, a non-partisan group comprised of civilians and elected officials. The Committee holds meetings once per quarter and conducts its own inspections of state correctional facilities.



OSIG Ombudsman Specialists on an unannounced inspection of State Farm Correctional Center in State Farm, VA.



Members of OSIG's Executive Team, Ombudsman Sapone, and the Corrections Oversight Committee at State Farm Correctional Center.



Photo credit to Charlotte Rene Woods/Virginia Mercury.

The Move to Reid’s Row



The James Monroe Building.

OSIG officially vacated premises at the James Monroe Building in May 2025, moving up the street to the historic Reid’s Row.

Located across the street from the Governor’s Mansion and Capitol Square, Reid’s Row consists of three bow-front Italianate town houses. Constructed in 1853 as private residences, the buildings later transitioned to office use.

The row is comprised of three individual houses, each with an oval parlor with cherry and mahogany woodwork and heavily-carved Victorian marble mantels. OSIG occupies floors one, two, and four.

The move has been many years in the making, as various administrations have lobbied for demolition of the James Monroe Building and subsequent relocation of the various state agencies housed in its 29 stories.



Staff pack up the old office space.



Reid’s Row town houses.

Formerly known as Morson’s Row, the town houses were renamed Reid’s Row in 2022 to honor Dr. William Ferguson Reid, the first African American Virginia lawmaker elected in the 20th century. It was listed on the National Register of Historic Places in 1969.

OSIG Named a Top Richmond Work Place

In March 2025, OSIG was awarded a Top Richmond Workplace Award. This designation is based on employee feedback gathered through a survey in which OSIG employees participated. The survey company (Energage) collates the responses and releases the top workplaces in sponsorship with the Richmond Times-Dispatch.



The confidential survey uniquely measures the employee experience and its component themes, including employees feeling “Respected & Supported,” “Enabled to Grow,” and “Empowered to Execute.” This is the first year of participating in the survey that OSIG has earned this designation, indicating exciting signs of growth internally in our agency.

Executive Leadership Highlights

- Inspector General Westfall was reappointed Inspector General by Governor Glen Youngkin for another four years.
- OSIG became part of the newly-created statewide Law Enforcement Safety Committee, led by the Department of Human Resource Management. Chief Katrina Goodman serves as the agency’s representative.
- Inspector General Westfall and Deputy Inspector General Adam Tagert attended the Association of Local Government Auditors Annual Conference (ALGA) in May 2025.
- Chief Deputy Inspector General Corrine Louden, Chief Goodman, and Corrections Ombudsman Andrea Sapone attended the National Association for Civilian Oversight of Law Enforcement Annual Conference in Tucson, AZ in October 2024.
- Chief Deputy Inspector General Louden, Chief Goodman, and Corrections Ombudsman Sapone attended the United States Ombudsman Association Annual Conference in Oceanside, CA in November 2024.



(from left) Chief Goodman, Supervisory Special Agent Chris Harris, Inspector General Westfall, and Chief Deputy Inspector General Louden attend the Association of Inspectors General (AIG) Conference in New Orleans, LA.

Retirements

Robert “Bob” Thomas



Bob Thomas worked at OSIG from 2018-2024 as the Agency Security Officer. He played a big role in developing OSIG’s security policies, managing security operations, responding to incidents, ensuring regulatory compliance, managing risks, and fostering a security-aware culture.

In addition to his expertise, Bob also led an active lifestyle (taking the stairs up to our seventh floor offices everyday, and enjoying skiing on vacations). We wish Bob the very best in this next chapter of his life.

Unit Highlights

In accordance with § 2.2-307 through 2.2-313 and § 53.1-17.2 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.
- Reviewing operations of state correctional facilities through the Corrections Ombudsman Unit.

Audit

- Issued five performance audits and one follow-up report.
- Issued 59 findings.
- Issued 275 recommendations.
- Participated in 21 unannounced inspections of 12 DBHDS facilities.
- Gave two presentations to state and national audit organizations.

Compliance

- Coordinated a quality assurance review with the Department of Juvenile Justice.
- Coordinated nine training courses, in which 533 attendees from across the Commonwealth participated, earning up to 63 continuing professional education credits to maintain certifications necessary for their positions.
- Issued the FY 2024 Audit Directive Compliance Report.

Healthcare Compliance Unit

- Processed 501 calls, emails, and voicemails.
- Assigned 203 cases for review.
- Issued 33 recommendations.
- Gave a presentation to the State Human Rights Commission.

Criminal Investigations Unit

- Investigated allegations of benefits fraud, conflicts of interest, falsifying state documents, procurement violations, theft of government funds/property, waste, and abuse.
- Opened 29 investigations.
- Closed 30 cases.
- Gave six presentations to state agencies and professional organizations.

State Fraud, Waste, and Abuse Hotline

- Processed 2,558 calls, emails, and voicemails.
- Assigned 247 cases for investigation, totaling 378 separate allegations.
- Processed 1,057 citizen inquiries.
- Investigated 12 cases with allegations that involved an agency head, internal audit employee, or an at-will employee.
- Issued 33 recommendations to agencies.
- Completed two workpaper reviews of agency internal audit programs.
- Completed 62 investigative review follow-ups for compliance with recommendations.

Administration Division

Business Office

- Maintained daily operations for OSIG employees to include fiscal services, procurement, fleet management, contract administration, payroll, human resources, safety, and records compliance.

Communications Unit

- Handled media contacts, FOIA requests, issued agency-wide final reports, prepared monthly briefings for the Governor's Chief of Staff, and quarterly reports for Executive Branch Secretaries.

Information Technology Services Unit

- Coordinated technology infrastructure needs for all agencies moving into Reid's Row.
- Closed long-standing VITA exception by creating a process in Splunk.
- Made considerable improvement to agency VITA Archer datapoint metrics.
- Implemented data dashboard for HCU, Hotline, and Ombudsman Unit.
- Began development of OSIG Database for analytics and reporting.

Ombudsman Unit

- Hired the Corrections Ombudsman in September 2024.
- Staffed and onboarded Ombudsman Specialists.
- Established protocols of the office, including intake procedures, inspection protocol, and processing inmate complaints.
- Completed three unannounced inspections of correctional facilities.



Members of OSIG staff celebrate International Women's Day with a social media post.



As part of the annual CVC, OSIG staff participated in Rep Your School Day with staff sporting the colors, hats, and wigs of their alma maters.



OSIG staff in branded rain jackets (courtesy of Virginia Correctional Enterprises).

OSIG IN THE MEDIA



Virginia State Parks years behind on inspections, has over \$360 million in delayed maintenance: state audit

April 1, 2025

“OSIG found that state park maintenance was disorganized, inconsistent and lacking in standardized practices. Maintenance needs valued at an estimated \$364 million had been delayed for, in one case, more than 10 years — and inspection records could not be found at any of the seven state parks state auditors visited.”



Photo credit to WRIC 8News.



New Virginia investigator to streamline complaint filing for incarcerated people and their families

December 16, 2024

“Virginia’s new corrections ombudsman, Andrea Sapone, is hitting the ground running, pledging to investigate allegations of mistreatment and address health and safety concerns raised by incarcerated people and their families.”

Richmond Times-Dispatch

Virginia education department violated procurement rules in extending \$83M contract

May 19, 2025

“We appreciate OSIG’s acknowledgement of the intentional measures our team has already taken to correct any issues raised by the report.”
State Superintendent Emily Anne Gullickson

The Washington Post

Exec admits stealing \$4.8M from Va. birth-injury fund for jet trips, gold

October 10, 2024

“The statement of facts recited a long list of products and services that Raines admitted to diverting the money for, including:

- *Vehicles, including \$160,000 to buy eight luxury golf carts and \$30,000 to pay off the loan on his family’s 2023 Chevrolet Suburban.*
- *Gambling. He spent more than \$100,000 at Rivers Casino in Portsmouth, Colonial Downs Racetrack in New Kent and on Virginia Lottery tickets.*
- *Debts. Raines put \$15,000 toward his home mortgage and about \$62,000 toward his own student loans.*
- *Luxury travel, including more than \$125,000 on private jet flights. In one case, he paid more than \$34,000 to fly himself, his wife and friends to and from Nashville for a three-day trip. About \$9,000 went to private limousine services, in one instance to ferry Raines and his guests on a tour of three vineyards in and around his home county of New Kent, about 25 miles east of Richmond.”*



State inspector general to review operations, staffing, programs and services at Bon Air Juvenile Correctional Center

May 7, 2025

“I believe that the OSIG can conduct an independent and objective review of the operations, staffing, programming and human services currently defining the Bon Air Correctional Center,”
[Senator Barbara Favola] said.”



Audit reveals state horse racing agency lacked key policies

March 10, 2025

“The state inspector general’s office took issue with cash handling and inspections.”



Audit reveals inefficiency, errors in how Virginia maintains its state buildings

March 10, 2025

“Overall, the OSIG found multiple insufficiencies throughout [Facilities Maintenance] — some of which state auditors said pose significant risks if left unaddressed.”



Virginia’s new corrections ombudsman to prioritize Red Onion prison probe

Allegations of mistreatment, prolonged isolation, and self-harm incidents spark investigation into the supermax facility.

BY CHARLOTTE RENE WOODS - DECEMBER 17, 2024 5:30 AM



Photo credit to Charlotte Rene Woods/Virginia Mercury.

Senate majority leader requests investigation of Virginia Birth Injury Fund

June 5, 2025

Richmond Times-Dispatch

"[Senator Scott Surovell] also asked the inspector general to look at how the program distributes funds to parents, citing "numerous reports that the program has become exceedingly restrictive in distributing benefits to victims.

[...]

The Office of the Inspector General previously conducted a review of the fund in the wake of the most recent fraud. In that case, the office ultimately referred the fraud to federal prosecutors, who outlined how the fund's former chief financial officer, John Raines, stole nearly \$7 million from the fund."



Former OEMS employee sentenced to 6 years in prison for embezzlement

November 20, 2024

"A former Office of Emergency Medical Services (OEMS) employee has been sentenced for 72 months, or 6 years, in prison after embezzling \$4.1 million over three years.[...] Subsequently, VDH said it had reported 'possible financial irregularities' to the Virginia State Police and the Office of the State Inspector General."

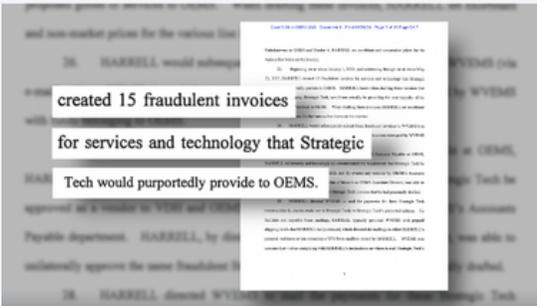


Photo credit to WTVR-TV.

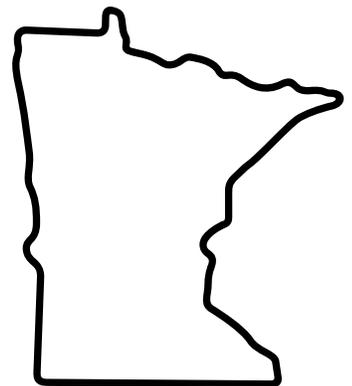


Minnesota should create a statewide inspector general's office

February 20, 2024

"As a former Minnesota state employee now working at the Virginia Office of the State Inspector General, I strongly urge Gov. Tim Walz to approve the formation of a similar agency in Minnesota. [...] Virginia's OSIG operates with a staff of just 46, and here are a few results and revelations we've provided our citizens in the past year:

- \$51 million in projected savings from adjusted overtime payment policies and scheduling practices.*
- \$4 million embezzled from the Virginia Department of Health.*
- \$47,827 uncovered in an unemployment benefits scheme.*
- \$14,740 of private business' unpaid taxes due to erroneously issued DMV license plates."*



OFFICE OF THE STATE INSPECTOR GENERAL



CHAMPIONING BETTER
GOVERNMENT PERFORMANCE

WWW.OSIG.VIRGINIA.GOV

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.

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.

OSIG ORGANIZATIONAL STRUCTURE

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



Audit and Compliance

Audit

Compliance

Healthcare Compliance

Investigations

Criminal Investigations

Hotline

Administration

Business

Communications

IT Services

Ombudsman

AUDIT AND COMPLIANCE DIVISION



Audit Unit

The Audit Unit'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.



Deputy Inspector General Adam Tagert with members of the Audit and Compliance Division.

Audit Standards

The Audit Unit follows Generally Accepted Government Auditing Standards issued by the U.S. Government Accountability Office. These standards reinforce the principles of transparency and accountability, and strengthen the framework of high-quality government audits. The Audit Division also follows Principles and Standards for Offices of Inspector General issued by the Association of Inspectors General (AIG) for all work performed.

Issued Reports

In FY 2025, OSIG published five performance audits presenting 59 findings and 275 recommendations, and one follow-up report.

Cybersecurity Audit for Virginia Higher Education Institutions

October 2024

Background

OSIG engaged SysAudits.com, LLC (SysAudits) to assess and determine the effectiveness of Higher Education Institutions (HEI) cybersecurity controls, policies, and procedures to monitor, identify, and secure IT systems.

Objectives

1. Determine if HEIs can identify and respond to cyberattacks in a manner consistent with industry standards through penetration testing;
2. Determine if HEI's current cybersecurity monitoring and testing, to include internal penetration testing, is adequate to reasonably protect against cybersecurity threats;
3. Determine whether HEIs have established performance metrics in responding to or preventing cyberattacks that are consistent with industry standards; and
4. Determine whether security assessments in the form of management reviews or security audits are performed as required by state or institution policy.



Findings and Recommendations

OSIG issued 34 findings with 203 recommendations. A separate report was issued to each of the Higher Education Institutions due to the sensitive nature of the findings and recommendations.

[Read the Cybersecurity Audit for Virginia HEI here](#)

Virginia Occupational Safety and Health & Boiler and Pressure Vessel Safety Programs

December 2024

Background

OSIG contracted with Sikich CPA LLC (formerly known as Cotton & Company Assurance and Advisory, LLC) to conduct a performance audit of the Department of Labor and Industry's (DOLI's) administration of the Virginia Occupational Safety and Health (VOSH) and Boiler and Pressure Vessel (BPV) Safety Programs.

Objectives

1. Whether the performance measures that DOLI developed for the VOSH and BPV Safety Programs were sufficient and effective in evaluating the success of the programs;
2. Whether DOLI performed its inspections for the VOSH and BPV Safety Programs in compliance with regulations, including requirements related to the timeliness of those inspections;
3. Whether DOLI's responses to safety and health complaints complied with applicable laws, regulations, and policies; and
4. Whether DOLI properly imposed monetary penalties to ensure that companies complied with program requirements.

Findings

1. BPV Safety Program resource deficiency.
2. Non-compliance with *Code of Virginia* BPV safety regulations.
3. Non-compliance with DOLI's VOSH Field Operations Manual.
4. Inaccurate and/or insufficient information system data.
5. VOSH Program data reconciliation issues.



Recommendations

OSIG made 16 recommendations for DOLI to strengthen its policies, procedures, and controls surrounding the VOSH and BPV Safety Programs, to include:

- Coordinate with entities such as the Department of Planning and Budget and the General Assembly, as necessary, to develop a BPV Safety Program budget strategy to cover personnel, DOLI's information system modernization efforts, and other necessary resources.
- Develop and implement formal policies and procedures to assess and collect penalties for violations, consistent with the *Code of Virginia*, or coordinate with the Virginia General Assembly to update and/or remove the requirement to assess penalties for violations.
- Develop and implement formal policies and procedures for ensuring that contracted inspectors and organizations operating BPVs are initiating and completing inspections in a timely manner.

[Read the VOSH & Boiler and Pressure Vessel \(BPV\) Safety Programs Performance Audit here](#)

Department of General Services Facilities Maintenance Performance Audit

February 2025

Background

The Commonwealth owns 73 buildings within and around Capital Square in Richmond. These buildings house approximately 75 state agencies that deliver essential services to Commonwealth citizens. Proper maintenance of these buildings ensures tenant safety, prevents costly repairs, reduces downtime, and extends building longevity.

Objectives

1. Determine if DGS Facilities Maintenance identifies and tracks preventative maintenance, to ensure state facilities are properly maintained.
2. Determine if DGS Facilities Maintenance responds to unscheduled repair requests timely and properly completes the request.
3. Determine if DGS Facilities Maintenance tracks special project requests from agencies to ensure they are completed properly and timely.
4. Ensure the Commonwealth is not paying for maintenance costs that should have been covered under a warranty.



Of the 14 special work orders sampled for this audit, there were six instances of unissued invoices.

Findings

1. Insufficient management of deferred preventative maintenance work orders.
2. Special work order payments lack proper tracking and follow-up.
3. Management of unscheduled repairs needs improvement.
4. Management did not provide proper supervision of work order completion.
5. DGS facilities maintenance lacks policies and procedures that govern the building maintenance process.
6. Warranty documentation is not adequately stored or managed.
7. Ineffective monitoring and tracking of repeat issues related to building maintenance.

Recommendations

OSIG made 15 recommendations for DGS to improve monitoring of building maintenance issues, to include:

- Implement regular monitoring and reporting on the status of open/deferred preventative maintenance activities.
- Develop a collection policy outlining specific steps for following up on overdue accounts for special work orders.
- Develop formal policies and procedures for the administration of unscheduled work order maintenance activities.
- Implement regular monitoring on the status of unscheduled work orders.

[Read the DGS Facilities Maintenance Performance Audit here](#)

Virginia Racing Commission Performance Audit

February 2025

Background

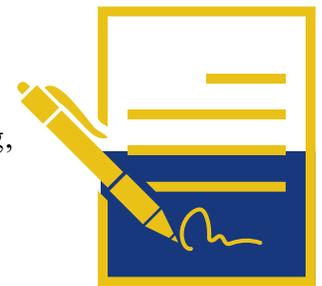
OSIG contracted with SC&H Attest Services, P.C., a wholly owned affiliate of SC&H Group, Inc. (SC&H) to conduct a performance audit of the Virginia Racing Commission (VRC). The VRC serves the Commonwealth of Virginia as its sole horse racing and gambling authority.

Objectives

1. Review current licensing and permitting standards, requirements, and exemptions.
2. Evaluate the structure of the Commission including any changes needed to address the Commission's knowledge, experience, and level of training needed to effectively regulate the horse racing industry.
3. Review net revenue dedicated to horse racing with pari-mutuel wagering and which types of associated activities are excluded from this calculation.
4. Evaluate the current allocation of breakage funds, the budgeting process for any administrative costs or expenditures, and financial audit procedures conducted by the Commission.
5. Evaluate the adequacy of enforcement and resources dedicated to oversight activities of the Commission.
6. Evaluate the structure of the Commission including any changes needed to minimize or eliminate conflicts of interest.

Findings

1. VRC does not have written policies or procedural information to document and govern its processes including administration, licensing, compliance, and enforcement.
2. VRC's current operating procedures to mitigate risks of regulatory noncompliance regarding the issuance and enforcement of individual licenses are limited.
3. Documentation related to licensee applications and records within systems, receipt and processing of payments, performance of inspections, performance of revenue and breakage calculations, and tracking of equipment (such as Historical Horse Racing machines) is not consistently completed or maintained.
4. VRC's current cash handling procedures do not effectively mitigate risks including segregation of duties, collection of, and security of cash.
5. Current oversight of licensed facilities and associated organizations does not include comprehensive procedures to reduce the risk of regulatory noncompliance.
6. Calculations of handle, breakage, and contributions are inconsistent and lack proper supporting documentation.
7. The VRC's current organizational structure and resource configuration could impact its ability to effectively address operational improvements and internal process formalization efforts.



47% of the sampled license applications were missing signatures or approvals by either the Director of Pari-Mutuel Gambling, Executive Secretary, Commission Investigator, or Compliance Technician.

Recommendations

OSIG made 26 recommendations for VRC to improve operations, to include:

- Review and revise current processes that require the completion of background checks before issuing a license, whether present in legislative regulation, administrative code, or exist as an internally established requirement.
- Establish internal records retention policies and procedures for tracking and maintaining records regarding, but not limited to, incidents, payments, inspections, and other key activities.
- Review current roles and responsibilities, both within the VRC and at licensed facilities, to identify areas in which segregation of duties is required and update internal policies and procedures to require that different employees complete tasks related to cash handling, reconciliations, deposits, and process approvals.



23% of the sampled license applications were missing proof that Gaming Labs International assessed and approved the latest game as being compliant with the law.

[Read the VRC Performance Audit here](#)

Annual Follow-up of Previous Findings

February 2025

Background

OSIG performs follow-up on significant items to ensure agencies have taken corrective action. OSIG completed a comprehensive follow-up audit of findings related to audit reports where corrective action was scheduled to be completed by June 30, 2024.

Much of the benefit of the audit work is not in the findings reported or the recommendations made, but in the effective resolution. When OSIG completes audit work and issues recommendations, the aim is to improve the way the Commonwealth serves its citizens.

Objectives

The objective of this follow-up audit was to report on the progress of agencies to ensure that management has effectively implemented corrective actions or that senior management has accepted the risk of not taking action.

Findings

Agencies have implemented corrective actions or are making progress on the implementation of corrective action for 84 out of 84 findings in this follow-up period. All outstanding actions have been fully implemented for the following audits:

- Department of Conservation and Recreation – Natural Resources Law Enforcement Diversity in Hiring and Recruitment.
- Department of Emergency Management – 2022 I-95 Incident of January 3-4.
- Department of General Services – Fleet Management Services.
- Department of Social Services – Health and Human Resources Subrecipient Monitoring.
- Department of Transportation – 2022 I-95 Snow Incident of January 3-4.
- Department of Wildlife Resources – Natural Resources Law Enforcement Diversity in Hiring and Recruitment.
- Mountain Gateway Community College – Higher Education Institutions Clery Act.
- New College Institute.
- New River Community College – Higher Education Institutions Clery Act.
- University of Mary Washington – Higher Education Institutions Clery Act.
- Virginia Center for Behavioral Rehabilitation – Unannounced Inspections of DBHDS Facilities Calendar Year 2021.
- Virginia State Police – 2022 I-95 Snow Incident of January 3-4.
- Virginia Western Community College – Higher Education Institutions Clery Act.

[Read the Annual Follow-up of Previous Findings Performance Audit here](#)

Department of Conservation and Recreation State Park Maintenance Performance Audit

March 2025

Background

Virginia State Parks' mission is to preserve the Commonwealth's natural, scenic, historic, and cultural resources while offering recreational and educational opportunities that ensure responsible stewardship for future generations.

Objectives

1. Determine whether state parks are provided with guidelines and tools to ensure that park maintenance is consistently and effectively managed.
2. Determine if state parks timely and properly address routine, preventative, repair, and deferred maintenance items.
3. Determine whether state parks have processes in place to properly manage and track their assets.

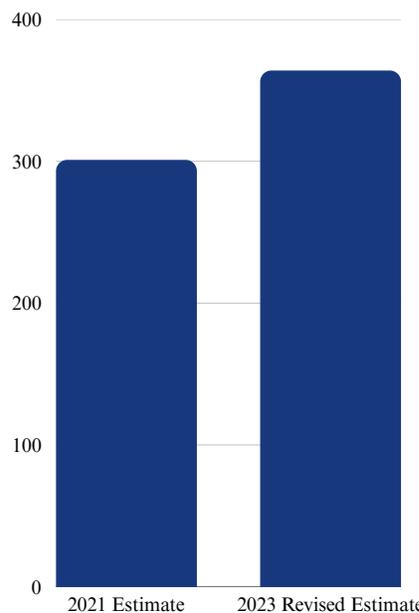
Findings

1. Deferred maintenance listing requirements needs strengthening.
2. Routine, preventative, and repair maintenance activities are not consistently monitored.
3. The Division of State Parks (DSP) lacks a structured process for completing inspections of state parks.
4. Contracted maintenance is not formally or consistently tracked at the field level.
5. Fixed asset tracking processes at state parks need improvement.
6. DCR policies and procedures need strengthening and reinforcing to best govern park maintenance.



Six of the seven sampled parks had not undergone an inspection since July 2022.

Deferred Maintenance Statewide Estimates



The inconsistent nature of DSP's project categorizations leads to discrepancies between year to year estimations.



Four out of six parks with lodging had no policies or procedures for facilities maintenance.

Recommendations

OSIG made 15 recommendations to establish a comprehensive and standardized process for monitoring and documenting routine, preventative, and repair maintenance activities across state parks. This included:

- Establish a comprehensive process for tracking and reporting deferred maintenance, including the development of a prioritized list of maintenance needs with clearly defined priority categories.
- Work with Park Managers and District Managers to identify existing maintenance monitoring methods that have been effective in reducing resource downtime.
- Develop and implement standardized procedures for conducting formal facility inspections to assess park performance to include park maintenance.
- Develop guidelines for identifying when contractor services are needed for state park maintenance and for tracking reliance on the contractor services.

[Read the DCR State Park
Maintenance Performance Audit here](#)

Audit Staff Highlights

- Audit Unit staff held officer and board of governors' positions in the Central Virginia Chapter of the Institute of Internal Auditors and the National Association of Black Accountants.
- Participated in a Peer Review for the City of Chicago Office of Inspector General.
- Provided two presentations (National AIG and VLGAA).
- Senior Auditor Andrew McWhinney earned the Certified Analytics Professional (CAP) Certification.
- Senior Auditors Geneice Henderson, Andrew McWhinney, Sid Stewart, and Khushboo Vora earned the Certified Inspector General Auditor Certification (CIGA).
- Three members attended the ALGA Conference in Minneapolis, MN.
- Welcomed three new employees to the Audit Unit.



Senior Auditors Khushboo Vora, Sid Stewart and Geneice Henderson attend the AIG Spring Institute in Jacksonville, FL, March 10-14, 2025.



Senior Auditors Andrew McWhinney, Geneice Henderson, Shaquey Wragg, and Audit Manager Eris Jones at Hungry Mother State Park for their audit of State Parks Maintenance.



Senior Auditors Andrew McWhinney, Shaquey Wragg, and Danielle Squire attend the ALGA Conference in Minneapolis, MN on May 5-6, 2025.



Senior Auditors Sid Stewart and Andrew McWhinney present at the VLGAA Conference in Virginia Beach on April 15, 2025.



Compliance Unit

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 other internal audit programs in executive branch 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 the internal audit programs submitted the required documents for FY 2025. All of the agencies follow The Institute of Internal Auditors (IIA) 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 Institute of Internal Auditors 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 a QAR in FY 2025 for the Department of Juvenile Justice. DJJ received an overall rating of "Generally Conforms," which is the highest rating.

Training

OSIG coordinated internal audit training courses in FY 2025. In the last several years, OSIG has been able to significantly increase class size by offering the courses virtually. The virtual format also resulted in cost savings in time and travel for the 533 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. Annually, OSIG ensures that one of the courses includes the ethics component that satisfies the ethics requirement for Certified Public Accountants and The Institute of Internal Auditors.

Fiscal Year 2025 Training

Name of Course	Date(s)	Number of Students	CPE
Internal Audit 101 Basics and Principles	10/15-16/2024	27	8
Faith in the Fundamentals & Public Agency Impacts from the 2024 IIA Standards	10/10/2024 - 10/11/2024	63	8
Audit Planning	11/20-21/2024	54	8
Impactful Audit Findings	1/15-16/2025	80	8
QAR and CPA Ethics	4/1-9/2025	86	16
Transformational Audit	4/22-23/2025	78	8
CAE Roundtable	5/21/2025	35	3
Audit Evidence	5/22/2025	84	4
Yellow Book 2024 Refresher Training	6/30/2025	26	4

TOTAL

533

67

Agency Risk Management and Internal Control Standards

In FY 2025, OSIG completed the Agency Risk Management and Internal Control Standards (ARMICS) 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.



Healthcare Compliance Unit

OSIG's healthcare compliance legislative mandates are described in the *Code of Virginia* § 2.2-309 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, Joint Commission on Health Care, and the Behavioral Health Commission 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.
- Submitting an annual report to the General Assembly on or before December 1 of each year that states the number of complaints received by the Office alleging abuse, neglect, or inadequate care at a state psychiatric hospital during the prior fiscal year and the number of such complaints that were fully investigated by the Office.

Healthcare Compliance Unit Staff Highlights

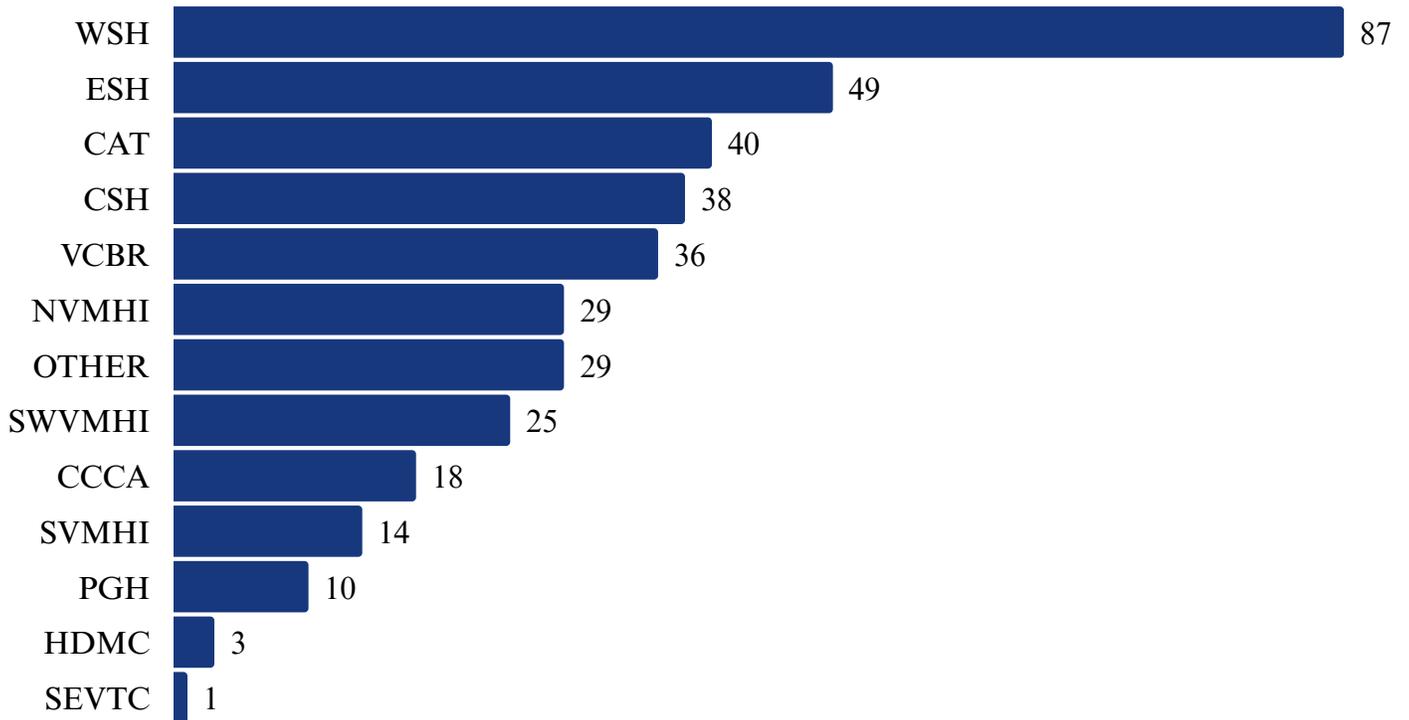
- Dr. Teresa Smith and Lisa Latham completed CIGE training through the AIG.
- Dr. Smith earned a PhD in Public Administration.
- Dr. Smith and Lisa Latham earned designations as Certified Internal Forensic Healthcare Auditor (CIFHA).
- Dr. Smith gave one presentation to the State Human Rights Committee.
- Staff visited all 12 DBHDS facilities at least once during the year. Staff visited several facilities multiple times in the fiscal year.



(from left) Healthcare Compliance Specialist Lisa Latham, Senior Auditor Andrew McWhinney, and Healthcare Compliance Manager Teresa Smith attend the AIG Training Conference in New York City, NY, August 12-16, 2025.

Monitoring Activities

The Healthcare Compliance Unit processed 379 complaints in FY 2025.



Legend

CAT - Catawba Hospital

CSH - Central State Hospital

CCCA - Commonwealth Center for Children & Adolescents

ESH - Eastern State Hospital

HDMC - Hiram Davis Medical Center

NVMHI - Northern Virginia Mental Health Institute

PGH - Piedmont Geriatric Hospital

SEVTC - Southeastern Virginia Training Center

SVMHI - Southern Virginia Mental Health Institute

SWVMHI - Southwestern Virginia Mental Health Institute

VCBR - Virginia Center for Behavioral Rehabilitation

WSH - Western State Hospital

OTHER - Community Services Board, Private Provider, or DBHDS Central Office

INVESTIGATIONS DIVISION



Criminal Investigations Unit

OSIG Investigations Unit statutory authority and legislative mandates are delineated in the *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.



Chief Goodman with members of the Investigations Division.

Principles and Standards

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



OSIG Special Agents at the Crater Criminal Justice Training Academy shooting range in May 2025.



Accreditation

OSIG earned law enforcement accreditation by the Commission on Accreditation for Law Enforcement Agencies (CALEA) in July 2024. More details can be found on page 4 of this report.

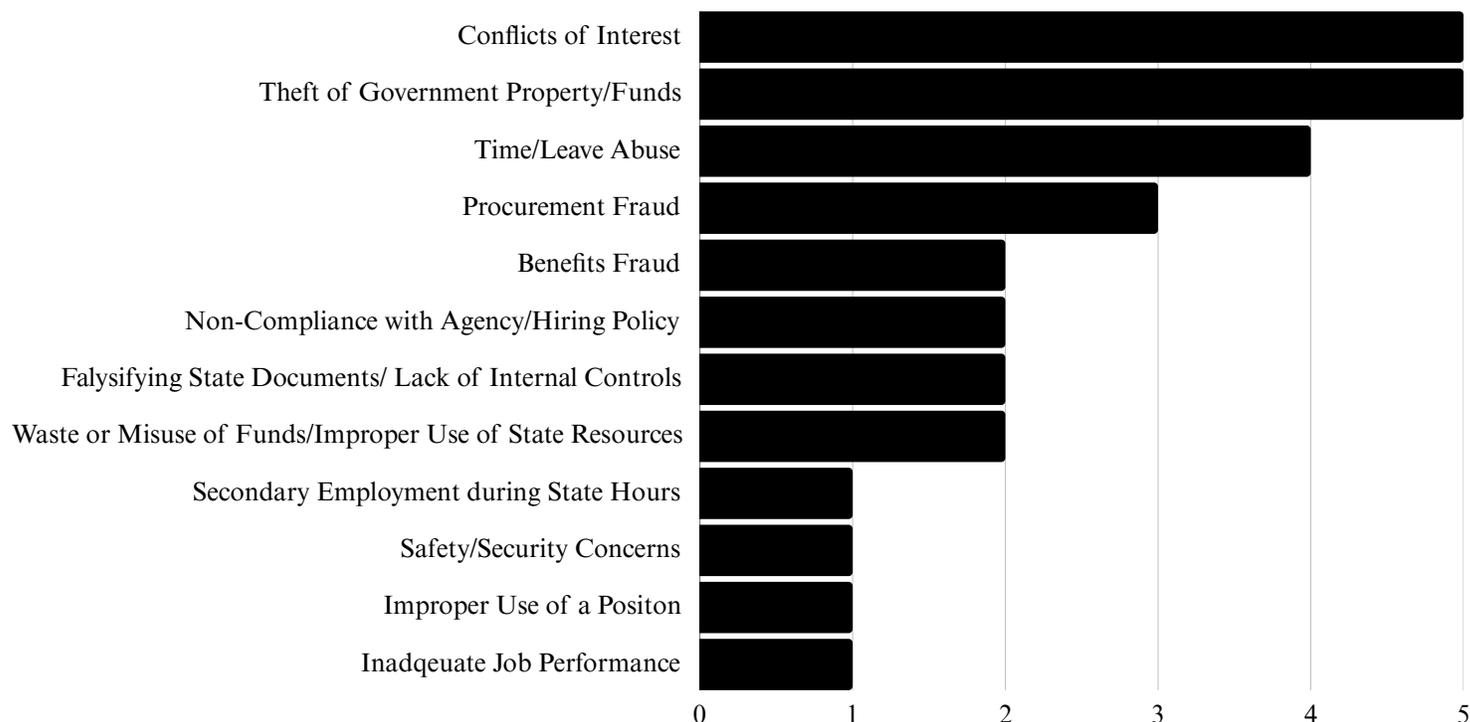
CALEA standards are created by the National Sheriff's Association, the International Association of Chiefs of Police (IACP), the National Organization of Black Law Enforcement Executives (NOBLE), and the Police Executive Research Forum.

Point of Contact Initiative

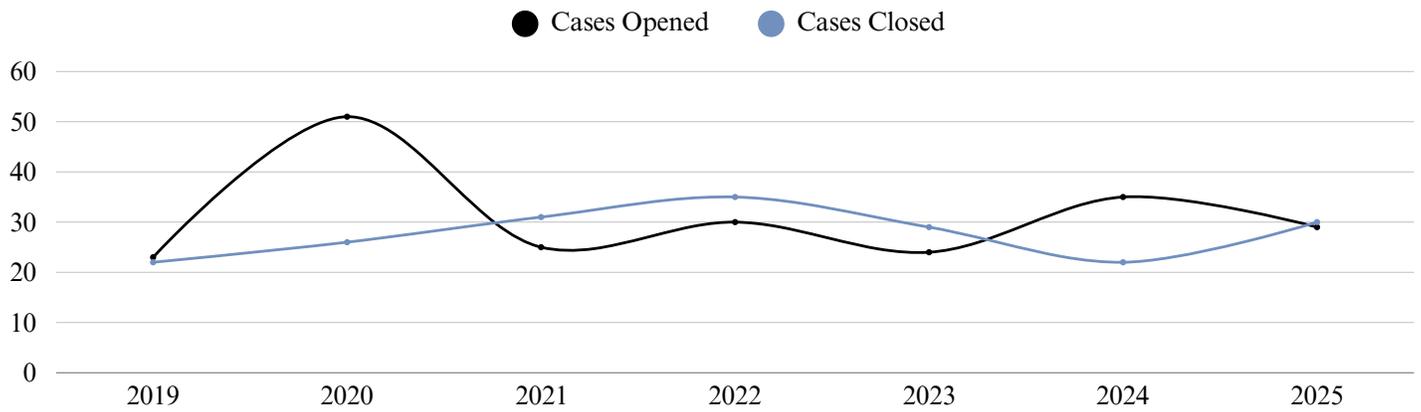
OSIG designed the Point of Contact initiative to foster professional and collaborative relationships between OSIG and its counterparts within executive branch agencies, usually the Chief Audit Executive or other senior manager. The POC initiative promotes the exchange of information with officials about 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.

Executive Branch Agency Investigations

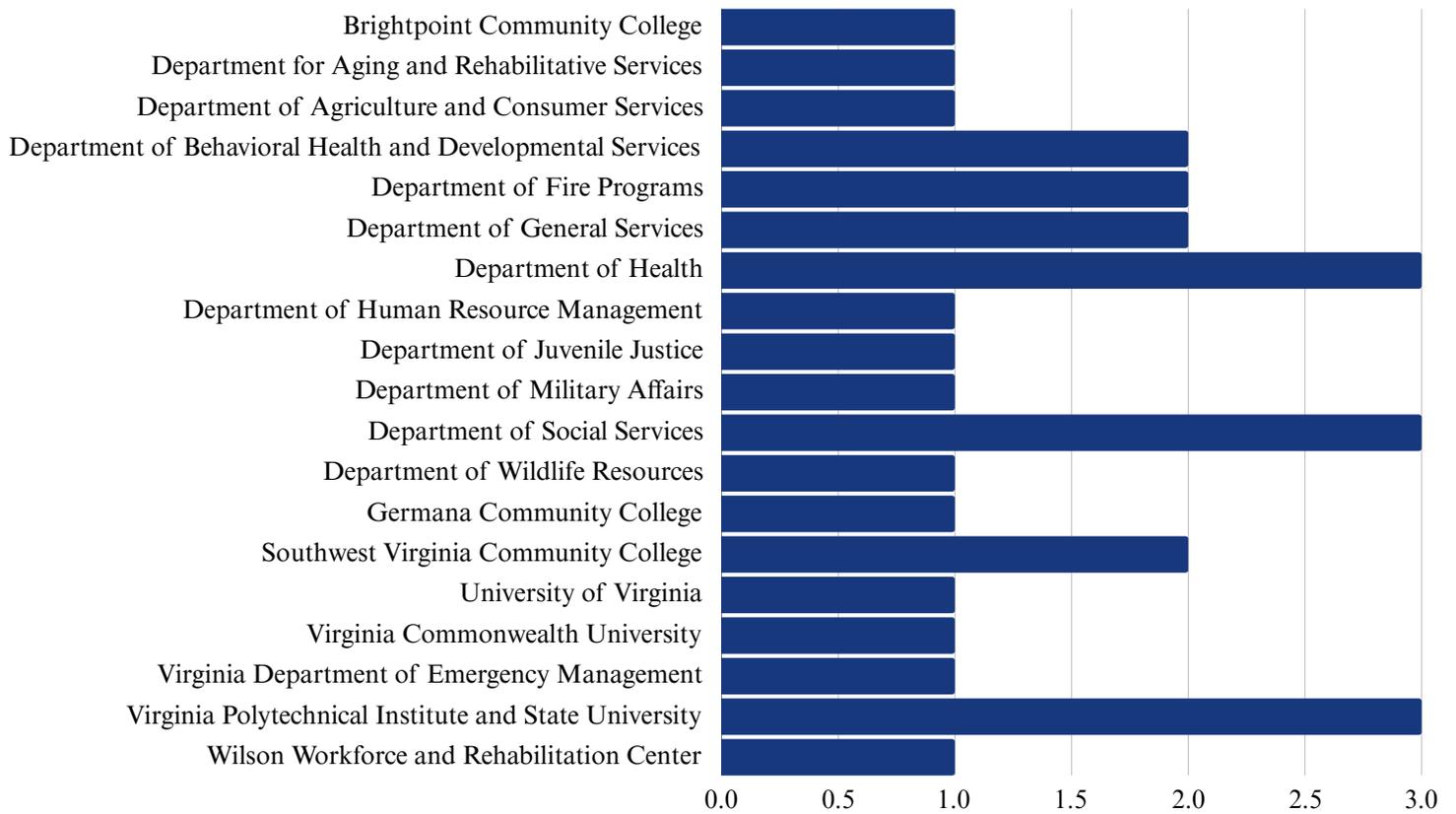
Closed Case Breakdown



CIU Cases by FY



In FY 2025, OSIG opened 29 executive branch state agency investigations.



Noteworthy Cases Completed in FY 2025

Virginia Department of Health

Federal Program Theft, Mail Fraud, and Tax Evasion | \$4 Million



In September 2023, the Virginia Department of Health (VDH) contacted OSIG regarding a possible fraud. Adam Lamar Harrell, former senior leader of VDH's Office of Emergency Medical Services (OEMS), created an information technology company and submitted false invoices from that company to the Western Virginia EMS Council (WVEMS) to obtain payments for IT services that were never rendered.

Harrell contacted an approved OEMS vendor and proposed that the shell company be utilized as a subcontractor while concealing his affiliation with said company. Over the course of the next three years, he was able to use his leadership position to unilaterally approve the same fraudulent company invoices he had personally drafted. Harrell received approximately \$4,144,319 in funds belonging to OEMS to which he was not entitled. He used the funds to take trips and purchase real estate, luxury vehicles, dozens of firearms, and jewelry.

On July 25, 2024, Harrell pleaded guilty to one count each of federal program theft, mail fraud, and tax evasion. On November 20, 2024, he was sentenced to serve 72 months in federal prison, followed by three years supervised release. Harrell was ordered to pay \$6,254,458 in restitution, which includes the funds embezzled from OEMS and taxes owed to the IRS.



Virginia Employment Commission

Obtaining Money by False Pretense | \$9,966

In October 2023, through a proactive data analytics project, OSIG identified a state employee who had potentially engaged in unemployment insurance fraud. A subsequent investigation showed that on March 17, 2020, the employee in question (Omar Altaha) completed an online application with the VEC for unemployment benefits after being laid off from a private entity. Virginia Department of Human Resource Management records indicate that Altaha began working for Coffeewood Correctional Center on May 8, 2020.

Once hired by the correctional center, VEC records showed that Altaha continued to complete weekly benefit filings where he indicated that he was not working for each of the 11 weeks following his state employment. Altaha collected weekly benefits from May 16 – July 25, 2020, resulting in him receiving \$9,966 in unemployment benefits that he was not entitled to receive. Altaha cooperated with the investigation and admitted to making the false claims for unemployment benefits.

Altaha was charged with one count of felony obtaining money by false pretense. On August 9, 2024, he plead guilty to a reduced misdemeanor charge of obtaining money by false pretense in Albemarle County Circuit Court.

Per the plea agreement, Altaha paid \$9,966 in restitution to the VEC. He was sentenced to 12 months in jail with all 12 months suspended. His suspended sentence included conditions of good behavior for 12 months and payment of court costs.

Virginia Birth-Related Neurological Injury Compensation Program

Mail Fraud and Money Laundering | \$6.7 Million

In November 2023, the Virginia Birth-Related Neurological Injury Compensation Program (Program) contacted OSIG regarding a possible fraud. From about October 2021 through October 2023, John Hunter Raines (the former Chief Financial Officer for the Program) embezzled over \$6.7 million from the Program by using his access to the Program's bank account to initiate at least 59 separate wire transactions to send funds to bank accounts in his name.



Raines spent embezzled Program money on various personal expenses including:

- Eight luxury golf carts for over \$160,000 and a 2023 Chevrolet Suburban;
- \$100,000 on gambling, including at Rivers Casino in Portsmouth, Virginia, Colonial Downs Racetrack in New Kent, Virginia, and the Virginia Lottery;
- At least \$29,000 sent to an intimate partner and tens of thousands of dollars to a bank account in the name of the CFO's spouse;
- Over \$9,000 on private limousine services, including to chauffeur the CFO and his guests in a Mercedes limousine from his house to Virginia vineyards;
- Numerous purchases of cryptocurrency, including Bitcoin and Dogecoin, and transferred funds to his brokerage accounts;
- Tens of thousands of dollars towards his student loan debt, his mortgage, and other loans;
- Over \$125,000 for private jet travel for friends and family. As an example, Raines paid over \$34,000 to travel with his spouse and friends to Nashville, Tennessee, for three days in a private jet; and
- Over \$19,000 to purchase eight separate 2022 1-oz American Gold Eagle Bullion coins and a 100-oz silver bar.

On August 22, 2024, Raines was arrested on one count of mail fraud. On October 8, 2024, the subject pled guilty to federal mail fraud and money laundering charges and agreed to pay restitution of \$4,854,434. On March 5, 2025, Raines was sentenced to 108 months in prison.



OSIG agents table to promote the Fraud, Waste, and Abuse Hotline, April 2025.

Law Enforcement Liaison and Intelligence Resource Partnerships

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

OSIG collaborated with the following agencies on cases of mutual interest during FY 2025:



Shekisha Hodge is sworn in as an OSIG Special Agent by the Clerk of Richmond Circuit Court, August 2024.

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

- Central Virginia Crime Intelligence Group.
- Central Virginia Financial Crimes Task Force.
- Central Virginia Law Enforcement Chief Executives Association.
- Commonwealth Managers Association.
- Crater Criminal Justice Training Academy.
- Fraud Liaison & Alert Group.
- Newport News Financial Crimes Task Force.
- Virginia Association of Chiefs of Police.

CIU also maintains membership in the Regional Organized Crime Information Center (ROCIC).



Special Agent Pat Brown addresses the Alpha Kappa Alpha Sorority, Inc. Upsilon Omega Chapter Future Young Leaders (FYL) Program with a presentation about online and in-person safety, June 2025.



Chief Goodman in OSIG First Aid/CPR training, April 2025.

CIU Staff Highlights

In October 2024, OSIG’s Accreditation Manager Elizabeth Knudson earned the prestigious 2024 VLEPSC Commissioner’s Award. This is presented to a VLEPSC assessor for outstanding contributions to the accreditation program. Knudson has been the driving force behind OSIG’s VLEPSC and CALEA accreditations.

“I am grateful for this award and for the opportunity I have to represent the Commission and OSIG each time I assist with an accreditation assessment,” says Knudson. “To be recognized for my contributions to the accreditation program is an absolute honor.”



(from left) Todd Clingenpeel, DCJS Accreditation Program Manager, OSIG Accreditation Manager Elizabeth Knudson, and Chief Scott Booth, VLEPSC Commission Chairman.

Other CIU Highlights include:

- CIU is staffed by one chief, one supervisory special agent, five special agents, one accreditation manager, and one forensic analyst.
- Chief of Investigations Katrina Goodman, Accreditation Manager Elizabeth Knudson, Supervisory Special Agent Chris Harris, and Special Agents Carrie Gowin and John Sutherland are general instructors with the Virginia Department of Criminal Justice Services.
- CIU staff gave six presentations, including Supervisory Special Agent Chris Harris’ “The Art of the Interview” at the AIG Annual Training Conference in New Orleans, LA in November 2024.
- Forensic Analyst Charen Johnson represented OSIG at the AIG Peer Review for the City of Chicago Inspector General in May 2025.



Special Agents John Sutherland and Shekisha Hodge table for OSIG at National Night Out, July 2024.



Senior Auditor Andrew McWhinney and Forensic Analyst Charen Johnson serve on the AIG Peer Review team for the City of Chicago Inspector General in May 2025.



Supervisory Special Agent Chris Harris presents “The Art of the Interview” at the AIG Conference in New Orleans in November 2024.



Members of the Criminal Investigations Unit help remove 40 decaying rose bushes from the Italian Garden at the Maymont Horticulture Volunteer Project in March 2025.



State Fraud, Waste, and Abuse Hotline Unit

The OSIG Hotline was established in 2012 to allow citizens of the Commonwealth to anonymously report instances of state fraud, waste, and abuse. Citizens can submit their complaints via phone, email, web form submission, or written letter.

The Hotline Pipeline

- When a citizen or state employee contacts the Hotline (either by phone, email, mail, voicemail, or a web submission), it is noted as a “contact.”

Hotline received **2,558 contacts** in FY 2025.

- Many contacts’ allegations pertain to federal/local government, or private businesses. These are out of OSIG’s jurisdiction. When possible, Hotline investigators refer the complainant to the proper agency. These contacts are logged but do not result in a Hotline investigation.
- Contacts pertaining to state agencies are assigned a Hotline case number in our software system.

878 contacts pertained to state agencies in FY 2025.

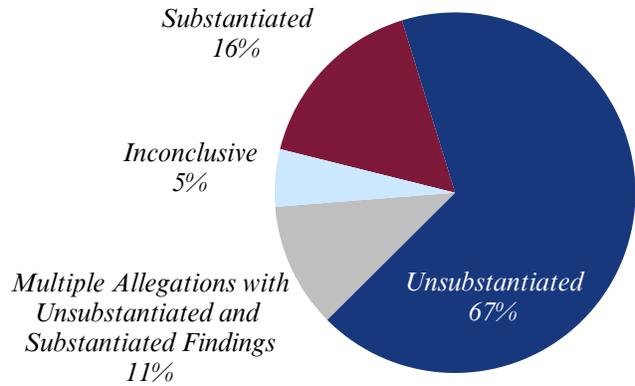
- Of the contacts pertaining to state agencies, **247 required a formal investigation** since they met the criteria for fraud, waste, or abuse.
- **214 cases were closed** in FY 2025.
- **59 of the closed cases were substantiated or partially substantiated.**



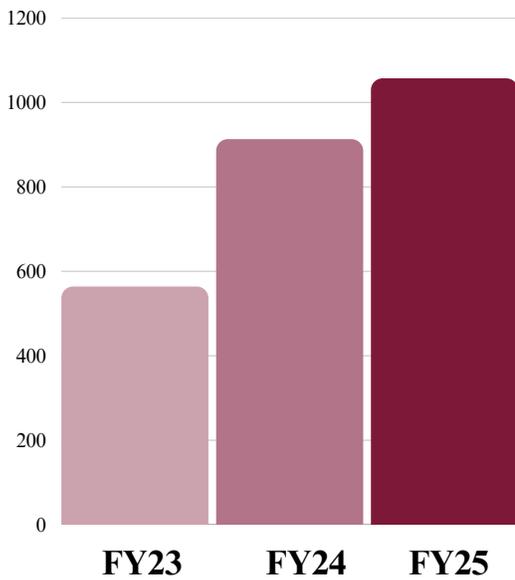
Hotline Case Outcomes

Hotline closed 214 cases in FY 2025.

The most common allegations received were non-compliance with agency policy, waste and misuse of funds, inadequate job performance, safety/security concerns, and vehicle or time abuse.

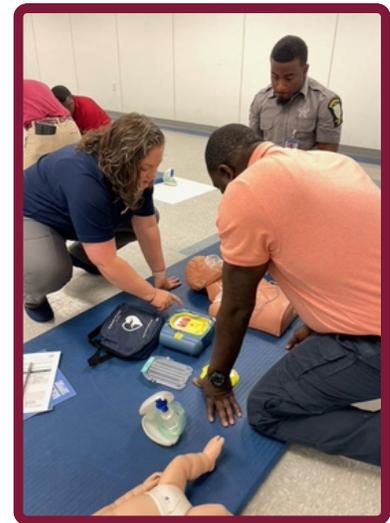


Citizen Inquiries



Citizen inquiries are concerns or questions brought to OSIG but that fall outside of our jurisdiction.

When possible, these inquiries are directed to the proper agency or authority.

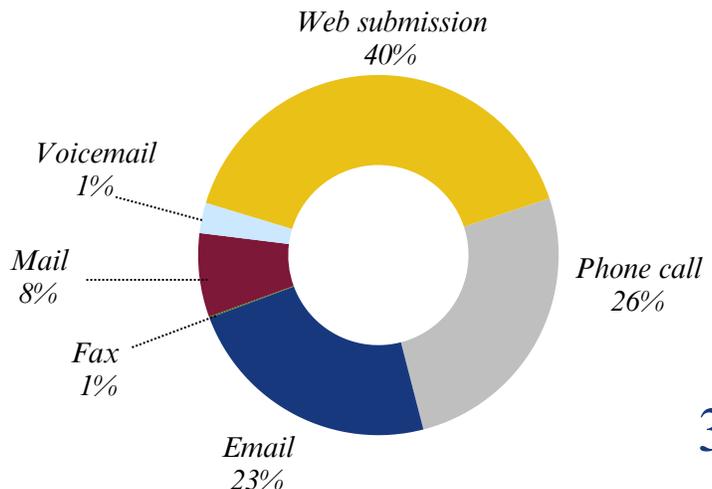


Hotline Manager Jennifer DeVaughn leads CPR/AED training at Crater Criminal Justice Training Academy.

Contact Method

The most common method of contacting OSIG's Hotline was our web submission form, followed by phone calls and emails.

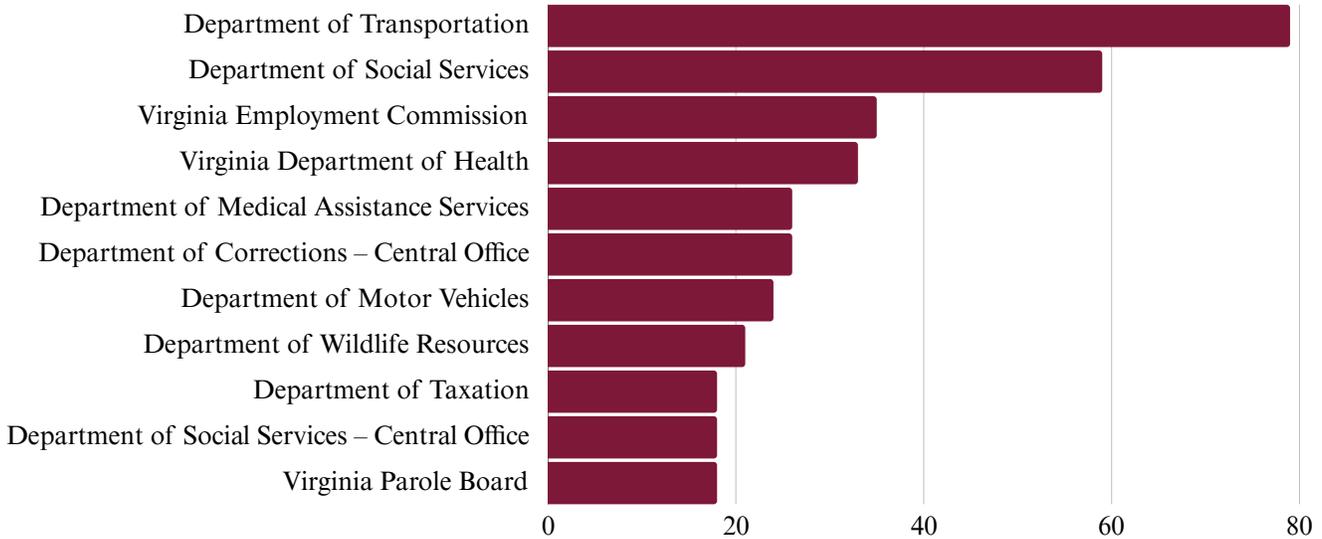
All complaints can be submitted anonymously.



Total FY 2025 Cases Referred Out

OSIG works with internal audit programs throughout the Executive Branch. When a complaint is received regarding a state agency with an internal audit program, OSIG refers the case out for information.

These are the top eleven agencies OSIG referred cases out to in FY 2025.



12 Hotline contacts with allegations that involved an agency head, internal audit employee, or an appointed employee.



33 Recommendations made to the agencies because of an investigation.



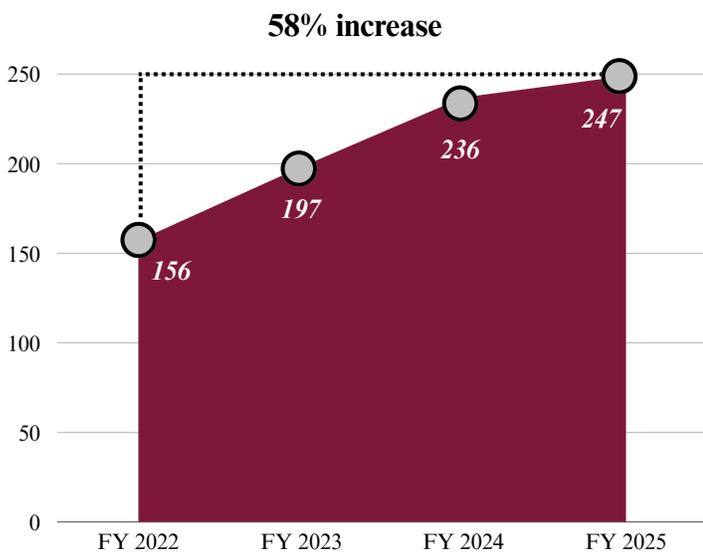
62 Investigative review follow-ups for compliance with recommendations.

Following the conclusion of Hotline investigative cases where a recommendation is issued, follow-up is made to ensure recommendations were addressed. Follow-up occurs within 90 days of a report's issuance.



2 In-depth workpaper reviews were conducted in the FY 2025 cycle for the Department of Medical Assistance Services and Virginia Commonwealth University.

Workpaper reviews are detailed assessments of an internal audit program where the program performed investigations for the Hotline. The workpapers are reviewed to ensure they comply with OSIG standards of investigations.



Cases Investigated by Fiscal Year

A Hotline case is investigated when a complaint about a state agency meets the criteria for fraud, waste, or abuse.

OSIG attributes the increased volume of Hotline cases to the agency’s strategic plan, which has pushed for broader community outreach, points of contact, and a heightened profile within executive branch agencies.

Hotline staff have presented at educational events with multiple state agencies in attendance, including the Department of General Services, the Department of Human Resource Management, and Virginia Military Institute.

Staff also participated in the following events:

- Public Procurement Forum 2024.
- Governor’s Transportation Conference.
- Governor’s Housing Conference.
- Environment Virginia Symposium.
- On the Square and Farmer’s Markets.



Hotline Staff Highlights

In May 2025, the Hotline team was contacted by our internal audit partners at the University of Virginia Community Health (UVA). OSIG had previously received a complaint that a University vendor was overbilling for services; the allegation fell outside of OSIG’s scope, but due to the diligence of the agency our Hotline team followed through and ensured the complaint reached the proper authorities.

After a brief investigation, our colleagues at the University paused negotiations and the vendor conducted an audit.

As a result, the vendor identified an issue around invoicing codes, and cited an overcharge of approximately \$74,736 in erroneous charges. The vendor offered to reimburse UVA via a credit on the next invoice for the \$74,736, plus interest, plus an additional \$50,000 as a good faith gesture toward the partnership. They also revised their processes around the billing for calls.

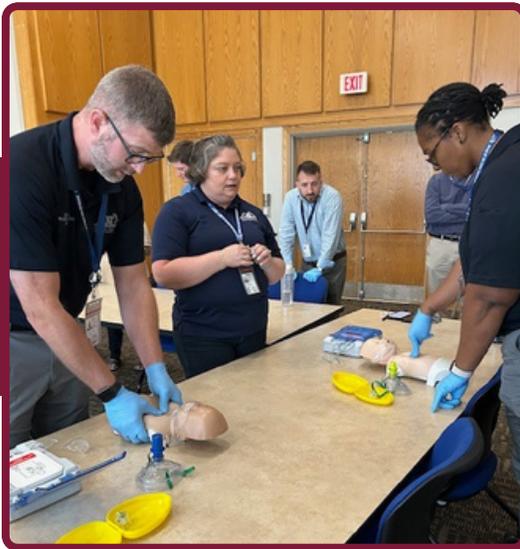


Other Hotline Highlights include:



Hotline Senior Investigator Emily Seay promotes OSIG at On the Square VA.

- The State Fraud, Waste, and Abuse Hotline team consists of a Hotline Manager and three senior investigators.
- Jennifer DeVaughn was promoted from Hotline Investigator to Hotline Manager.
- Hotline welcomed two new senior investigators.
- Senior Investigator Arreal Parson completed coursework and certification as a Certified Fraud Examiner.
- Hotline Manager Jennifer DeVaughn and Accreditation Manager Elizabeth Knudson provided CPR/AED and Bloodborne Pathogens certification training to OSIG staff.
- Hotline Manager DeVaughn presented at AGA's local chapter meeting on the Fraud, Waste, and Abuse Hotline and CAE Roundtable.



Hotline Manager Jennifer DeVaughn leads an OSIG training in CPR and First Aid.



Hotline Senior Investigator Arreal Parson with her Certified Fraud Examiner certificate.

ADMINISTRATION DIVISION



Administration

Business Office

- Maintained daily operations for OSIG employees to include fiscal services, procurement, fleet management, contract administration, payroll, human resources, safety, and records compliance.
- Business Manager Ginger Terrell completed Supervisors and Managers Bootcamp and the Commonwealth Management Institute with the L. Douglas Wilder School of Government and Public Affairs at Virginia Commonwealth University.
- Business Office Coordinator Lorne Powell joined the AGA and is now a Chapter Executive Committee member.



Chief Deputy Inspector General Corrine Louden with members of the Administration Division.

Communications Unit

The Communications Unit consists of a Public Relations Officer (PRO). The PRO focuses on increasing OSIG’s outreach in Executive Branch agencies and throughout the Commonwealth.

Communications Highlights for FY 2025

- OSIG’s presence in the media increased significantly, with major news outlets running stories about OSIG’s audits, Hotline reports, CIU cases, and our Ombudsman Unit.
- The overall number of social media followers increased to 1,847.
- Public Relations Officer Maggie Sotos earned her Accreditation of Public Relations (APR) in April 2025.



Business Manager Ginger Terrell with her certificate from the Commonwealth Management Institute program at The Grace E. Harris Leadership Institute through Virginia Commonwealth University.

Media contacts increased by

33%



Social media followers increased by

45%



1,272 in FY24

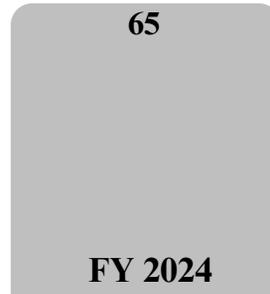


1,847 in FY25

The number of FOIA requests increased by

40%

This increase is attributed to OSIG's growing social media presence, greater public awareness of the agency due to media attention, and an increased national interest in fraud, waste, and abuse.



Public Relations Officer Maggie Sotos and Senior Auditor Danielle Squire present to Accounting Career Awareness Program students in July 2024. The program is made possible through the National Association of Black Accountants (NABA).



Sotos offers tips on Public Speaking to AGA members in December 2024.

Information Technology Services Unit

OSIG's Information Technology Services Unit provides technological advancement, support for key initiatives, and oversight of policies and procedures that safeguard agency information and assets.

The ITS Unit (which consists of the IT Services Manager, IT Security Analyst, and Data Analyst) has led OSIG through some remarkable changes in FY 2025.

ITS accomplishments include:

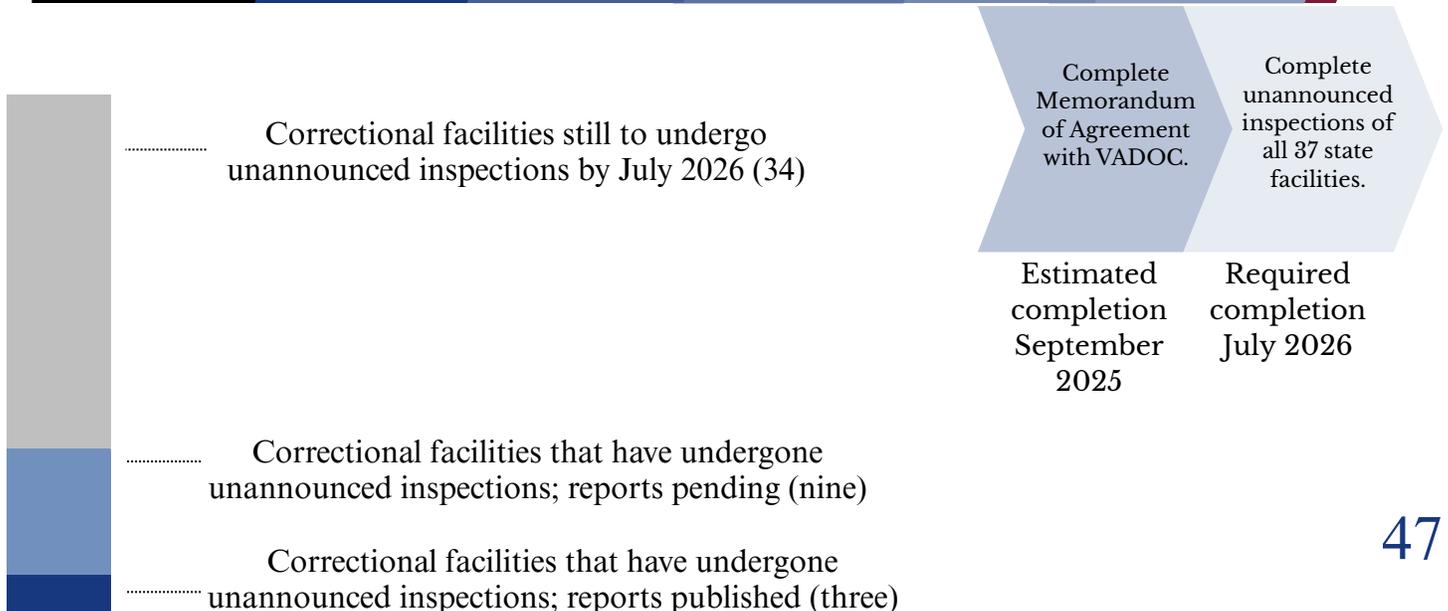
- Completed a national cybersecurity review.
- Reviewed and updated the Annual Risk Assessment and submitted it to VITA Commonwealth Security and Risk Management.
- Reviewed and updated the Business Impact Analysis and submitted it to VITA CSRM.
- Reviewed and updated the agency Continuity of Operations Plan and performed the annual COOP exercise.
- Reviewed and updated the agency's Disaster Recovery Plan and participated in the annual COV Disaster Recovery exercise.
- Reviewed and updated agency IT policies in compliance with COV information security standards.
- Continued IT security training and technical assistance for agency staff.
- Updated and maintained the agency website.
- Coordinated technology infrastructure to prepare for agency's to move into Reid's Row.



Ombudsman Unit

The Ombudsman Unit was established in 2024 within the larger Office of the State Inspector General agency. The Unit promotes the health, safety, welfare, and rehabilitation of inmates within correctional facilities run by the Virginia Department of Corrections (VADOC).

In less than a year, the Ombudsman Unit has made significant strides in establishing an independent oversight body over VADOC correctional facilities.



Other Ombudsman accomplishments include:

- Conducted initial inspections of 12 facilities maintained by the VADOC to monitor conditions of confinement, assess compliance with existing policies and best practices, and make recommendations to facilities.
- Issued three unannounced inspections reports of correctional facilities.
- Established a statewide toll-free telephone number for inmates, family members, friends, and advocates to submit complaints and inquiries regarding covered issues on behalf of inmates incarcerated in a Virginia Department of Corrections facility.
- Developed and issued a short and long-term strategic plan.
- Ombudsman met with ACLU representatives to gather stakeholder input into Ombudsman Unit activities and priorities.
- Established quarterly collaboration with the Corrections Oversight Committee.
- Ombudsman team attended the AIG Institute and received Inspector General Investigator and Inspector/Evaluator certification.
- Increased public awareness and transparency of Ombudsman Unit work completed through use of social media platforms.
- Creation of desk procedures and methodologies to complete mandated tasks.



Ombudsman Andrea Sapone addresses members of the Corrections Oversight Committee in December 2024.



Ombudsman Specialists meet with our partners at VADOC to discuss interstate compact law in May 2025.



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