

**TESTIMONY OF THE INSPECTOR GENERAL,  
CHARLES C. MADDOX, ESQ.,  
BEFORE THE D. C. COUNCIL  
COMMITTEE ON GOVERNMENT OPERATIONS**

**FISCAL YEAR 2002 BUDGET REVIEW**

**MARCH 19, 2001**

**CHAIRPERSON ORANGE AND MEMBERS OF THE COMMITTEE:**

**I AM PLEASED TO TESTIFY BEFORE THIS COMMITTEE TODAY  
CONCERNING THE PROPOSED FISCAL YEAR (FY) 2002 BUDGET FOR THE  
OFFICE OF THE INSPECTOR GENERAL (OIG).**

**MY ESTIMATE OF THE FUNDS NECESSARY FOR THE OPERATION  
OF THE OIG FOR FY 2002 WAS SUBMITTED TO THE COUNCIL BY THE  
MAYOR IN THE AMOUNT OF \$12.4 MILLION (LOCAL FUNDS AMOUNT TO  
\$11.2 MILLION). APPROXIMATELY \$6.9 MILLION OF THIS AMOUNT WILL  
BE ALLOCATED FOR PERSONAL SERVICES, AND \$4.3 MILLION FOR NON-  
PERSONAL SERVICES. WE WILL BE RECEIVING \$1.2 MILLION IN A  
FEDERAL GRANT FROM THE DEPARTMENT OF HEALTH AND HUMAN**

**SERVICES TO FUND 75 PERCENT OF THE MEDICAID FRAUD CONTROL UNIT. THE OTHER 25 PERCENT WILL BE FUNDED BY LOCAL FUNDS. IN CONTRAST, THE BUDGET SUBMITTED FOR FY 2001, WAS \$12.5 MILLION (\$11.3 MILLION FROM LOCAL FUNDS, AND \$1.2 FROM THE FEDERAL GRANT). THE DIFFERENCE IS ATTRIBUTED TO LOWER ESTIMATED TELEPHONE AND RENTAL COSTS.**

**THE LAW THAT GOVERNS THE SUBMISSION OF THE OIG ANNUAL BUDGET REQUEST WAS PASSED BY CONGRESS AS PART OF THE DISTRICT OF COLUMBIA FINANCIAL RESPONSIBILITY AND MANAGEMENT ASSISTANCE ACT OF 1995, PUBLIC LAW NO. 104-8. SECTION 303(a)(2) OF THAT LEGISLATION REQUIRES THAT MY ESTIMATE BE FORWARDED BY THE MAYOR AND THE COUNCIL WITHOUT REVISION. HOWEVER, IT DOES PERMIT BOTH THE MAYOR AND THE COUNCIL TO COMMENT ON AND/OR MAKE RECOMMENDATIONS CONCERNING THIS ESTIMATE.**

**I PLAN TODAY TO PROVIDE THE COUNCIL WITH A NUMBER OF IMPORTANT REASONS TO RECOMMEND MY BUDGET SUBMISSION, WHICH INCLUDES ENHANCEMENTS OF \$190,571 THAT WERE APPROVED BY THE MAYOR AND FORWARDED TO THE COUNCIL. FOR YOUR INFORMATION, I HAVE ATTACHED A COPY OF THESE ENHANCEMENTS TO THE TRANSCRIPT OF THIS TESTIMONY.**

**OUR TOTAL ENHANCEMENT REQUEST INCLUDES FUNDING OF \$148,571 FOR THREE FULL TIME EQUIVALENTS (FTE'S): ONE POSITION FOR THE MFCU, ONE ADMINISTRATIVE POSITION, AND ONE INFORMATION TECHNOLOGY POSITION. ADDITIONALLY, WE ARE REQUESTING FUNDING OF \$42,000 FOR INVESTIGATIVE TRAINING.**

**ONE FTE FOR MFCU**

**INCLUDED IN THE ENHANCEMENT REQUEST IS THE DISTRICT'S REQUIRED 25 PERCENT MATCH (\$15,036) TO THE FEDERALLY-FUNDED MFCU. AS YOU KNOW, WE ARE THE ONLY AGENCY IN THE DISTRICT OF COLUMBIA WHICH SPECIALIZES IN THE INVESTIGATION AND PROSECUTION OF ABUSE AND NEGLECT CASES OF VULNERABLE ADULTS IN NURSING HOMES, GROUP HOMES FOR THE MENTALLY RETARDED, OR IN ANY COMMUNITY RESIDENCE OR DAY-CARE FACILITY.**

**ONE EXAMPLE OF INCIDENTS THAT HAVE BEEN INVESTIGATED BY THE MFCU IS THE DEATH OF A NURSING HOME RESIDENT ALLEGEDLY CAUSED BY THE RECKLESSNESS OF THE CAREGIVER. WE ALSO ARE INVESTIGATING A NUMBER OF ALLEGED ASSAULTS ON THE ELDERLY AND MENTALLY RETARDED. SEVERAL OF THESE HAVE BEEN ACCEPTED FOR CRIMINAL PROSECUTION BY THE U.S. ATTORNEY'S**

**OFFICE. IN ADDITION, THE MFCU IS WORKING ON A SIGNIFICANT NUMBER OF FRAUD ALLEGATIONS, SEVERAL OF WHICH ARE NOW IN LITIGATION.**

**AS YOU KNOW, A LAW RECENTLY ENACTED BY THE COUNCIL REQUIRES ADMINISTRATORS OF THE AFOREMENTIONED FACILITIES TO REPORT IMMEDIATELY ANY UNUSUAL INCIDENTS TO THE OFFICE OF THE INSPECTOR GENERAL. D. C. LAW 13-104, THE “MANDATORY AUTOPSY FOR DECEASED WARDS OF THE DISTRICT OF COLUMBIA AND MANDATORY UNUSUAL INCIDENT REPORT TEMPORARY ACT OF 1999,” DEFINES “UNUSUAL INCIDENT” AS “ANY INCIDENT THAT RESULTS IN INJURY OR ILLNESS TO A WARD OR RESIDENT OF A NURSING HOME, COMMUNITY RESIDENCE FACILITY, OR GROUP HOME FOR PERSONS WITH MENTAL RETARDATION.”**

**THE STATUTE ALSO REQUIRES THE INSPECTOR GENERAL TO TAKE ACTION TO INVESTIGATE THE REPORT OF UNUSUAL INCIDENTS WITHIN SEVENTY-TWO HOURS, AND TO TAKE APPROPRIATE ACTION UPON COMPLETION OF THE INVESTIGATION. AS YOU MIGHT IMAGINE, THIS STATUTORY REQUIREMENT GREATLY INCREASES OUR WORKLOAD. THE MFCU IS ALREADY RECEIVING OVER 125 REPORTS PER MONTH. THESE NUMBERS CONTINUE TO INCREASE AS MFCU REPRESENTATIVES PROVIDE OUTREACH PROGRAMS IN THE**

**COMMUNITY CONCERNING THE PREVALENCE AND SERIOUSNESS OF VULNERABLE ADULT ABUSE AND NEGLECT. FURTHERMORE, EACH OF THESE REPORTS REQUIRES SOME LEVEL OF INVESTIGATION, INCLUDING SITE VISITS AND WITNESS INTERVIEWS.**

**CURRENTLY, ONLY ONE INVESTIGATOR AND ONE INVESTIGATIVE ASSISTANT ARE CHARGED WITH THE REVIEWS OF ALL THESE CASES. ADDING ONE MORE FULL TIME INVESTIGATOR WOULD ENABLE US TO CONTINUE GIVING PROMPT ATTENTION TO THE RAPIDLY INCREASING NUMBER OF COMPLAINTS WE RECEIVE.**

**TO FUND THE REQUESTED POSITION, SALARY PLUS BENEFITS WOULD TOTAL \$60,143. BY VIRTUE OF THE 75-25 FUNDING SPLIT, THE SALARY AND BENEFIT COST TO THE DISTRICT OF COLUMBIA WOULD ONLY BE \$15,036. GIVEN THE CRITICAL MISSION AND COST SAVINGS POTENTIAL OF THE MFCU, WE BELIEVE THIS MODEST INCREASE WOULD BE A RESPONSIBLE WAY TO LEVERAGE LIMITED FEDERAL DOLLARS.**

**ADMINISTRATIVE AND INFORMATION TECHNOLOGY FTE'S**  
**REQUESTED**

**EVEN AS THE NUMBER OF FTE'S HAS GROWN IN THE LAST TWO AND ONE HALF YEARS, OUR ADMINISTRATIVE AND INFORMATION TECHNOLOGY UNITS HAVE NOT HAD COMPARATIVE INCREASES. IN 1998, THE OIG HAD A TOTAL OF 40 FTE'S. THIS WAS SUBSEQUENTLY INCREASED TO 60 IN FY 1999, TO 69 IN FY 2000, AND TO 105 IN FY 2001. THUS, THE INCREASE IN PERSONNEL DURING THOSE YEARS TOTALED 65. BY CONTRAST, DURING THE SAME TIME PERIOD, THE ADMINISTRATIVE AND TECHNICAL POSITIONS ONLY INCREASED BY 2 EACH.**

**THE OIG ADMINISTRATIVE UNIT CONSISTS OF SIX FTE'S AND IS RESPONSIBLE FOR THE PROCUREMENT, HUMAN RESOURCE FUNCTIONS, PAYROLL AND THE GENERAL ADMINISTRATIVE SUPPORT FOR THE OIG. THE INFORMATION TECHNOLOGY UNIT CONSISTS OF THREE FTE'S AND IS RESPONSIBLE FOR PURCHASING AND MAINTAINING TECHNICAL EQUIPMENT, TRAINING EMPLOYEES TO USE THE EQUIPMENT, AND KEEPING UP WITH THE LATEST TECHNOLOGY TO ENSURE MAXIMUM UTILIZATION OF OUR SOFTWARE AND HARDWARE SYSTEMS.**

**THE RATIO OF PERSONNEL TO THE TOTAL OIG CONTINGENT FOR BOTH OF THESE UNITS, IS 18 TO 1 FOR THE ADMINISTRATIVE UNIT, AND 35 TO 1 FOR THE INFORMATION TECHNOLOGY UNIT. SIMILAR**

**OFFICES MAINTAIN A SIGNIFICANTLY SMALLER RATIO. THE CONSEQUENCES OF THESE HIGH RATIOS ARE SERIOUS. FOR EXAMPLE, WE ARE OFTEN FORCED TO USE AUDITORS AND INVESTIGATORS TO PERFORM ADMINISTRATIVE DUTIES. PULLING THEM FROM THEIR MAIN MISSION FUNCTIONS TO COPY, DISTRIBUTE AND DELIVER REPORTS IS A PRACTICE THAT WILL INCREASE THE TIME REQUIRED TO COMPLETE OUR AUDITS AND INVESTIGATIONS.**

**THE ADDITIONAL ADMINISTRATIVE POSITION WOULD ALLOW THE AUDITORS AND INVESTIGATORS TO FOCUS APPROPRIATELY ON THEIR PRIMARY MISSIONS.**

**FOR THE INFORMATION TECHNOLOGY UNIT, WE ARE SEEKING ONE POSITION THAT WILL ALLOW US TO KEEP UP WITH THE TECHNOLOGICAL ADVANCEMENTS THAT WILL TRANSLATE INTO FASTER COMPLETION OF PROJECTS, HIGHER PRODUCTIVITY WITH LESS INVESTMENT, AND MORE ACCURATE REPORTING BASED ON DATA THAT ARE MORE RELIABLE.**

**AT THE PRESENT TIME, THE INFORMATION TECHNOLOGY STAFF HAS TO WORK EXTREMELY LONG HOURS (INCLUDING WEEKENDS) ON A CONSISTENT BASIS JUST TO KEEP UP WITH THE DEMANDS OF THE OFFICE.**

**SPECIFICALLY, THIS STAFF MEMBER WILL BE PRIMARILY RESPONSIBLE FOR THE OIG CASE TRACKING SYSTEMS, WHICH ENABLES US TO RETRIEVE AND STORE VALUABLE INFORMATION THAT LEADS TO INVESTIGATIVE FINDINGS AND TO ASSIST THE INVESTIGATORS IN THE SEARCH AND SEIZURE OF COMPUTERS RELATIVE TO INVESTIGATIONS. WITHOUT THIS POSITION, THE OPERATION OF THE CASE TRACKING SYSTEMS DATA BASE THAT ARE CURRENTLY MAINTAINED IN-HOUSE WOULD HAVE TO BE CONTRACTED OUT AT A MUCH GREATER COST.**

**INVESTIGATIVE TRAINING**

**WE ARE ALSO REQUESTING \$42,000 TO FUND TRAINING WHICH IS REQUIRED BY STATUTE FOR INVESTIGATORS BY THE PRESIDENT'S COUNCIL ON INTEGRITY AND EFFICIENCY. THE OIG NOT ONLY REQUIRES BASIC LAW ENFORCEMENT TRAINING, BUT IT ALSO REQUIRES A NUMBER OF ADVANCED COURSES AND SPECIALTY TRAINING IN MATTERS SUCH AS INTERVIEW TECHNIQUES, FINANCIAL ANALYSES, AND TECHNICAL INVESTIGATIVE TECHNIQUES. ON AVERAGE, THESE COURSES CAN COST BETWEEN \$1,200 TO \$3,500 EACH.**

**WE ARE REQUESTING TRAINING FUNDS FOR 28 PERSONS AT \$1,500 EACH, FOR A TOTAL OF \$42,000. I BELIEVE THIS TRAINING WILL ENABLE US TO TAKE ADVANTAGE OF THE LATEST TECHNIQUES USED**

**BY OTHER LAW ENFORCEMENT ORGANIZATIONS. WE WORK HAND-IN-HAND WITH MANY OF THESE ORGANIZATIONS, AND IT IS IMPERATIVE THAT WE OPERATE ON A LEVEL PLAYING FIELD.**

**THIS OFFICE MAKES THIS BUDGET REQUEST IN LIGHT OF A STRONG RECORD OF ACCOMPLISHMENTS. JUST IN THIS PAST YEAR, WE ISSUED A TOTAL OF 31 AUDIT REPORTS COVERING 14 MAJOR DISTRICT AGENCIES. FROM THESE AUDITS, WE ACHIEVED \$33.9 MILLION IN POTENTIAL MONETARY BENEFITS. WE INCREASED OUR RETURN ON INVESTMENT BY 67 PERCENT OVER FY 1999 BY REPORTING POTENTIAL MONETARY BENEFITS OF \$20 FOR EVERY \$1 SPENT FOR THESE AUDITS.**

**FOR OUR INVESTIGATIONS DIVISION, IN FY 2000, WE INCREASED THE NUMBER OF INVESTIGATION REPORTS PREPARED BY 235 PERCENT OVER FY 1999. ALSO, DURING FY 2000, INDIVIDUALS CONVICTED AS A RESULT OF OIG INVESTIGATIONS WERE ORDERED TO PAY A TOTAL OF OVER \$2.1 MILLION IN RESTITUTIONS, FINES, ASSESSMENTS, TAXES AND PENALTIES.**

**OUR INSPECTIONS AND EVALUATIONS DIVISION ISSUED A TOTAL OF 146 FINDINGS AND 249 RECOMMENDATIONS TO IMPROVE OR CORRECT DISTRICT OPERATIONS, ADDRESS DEFICIENCIES AND**

**ENSURE THAT DISTRICT LAWS, REGULATIONS AND POLICIES ARE FOLLOWED.**

**FINALLY, THE MFCU ADDRESSED 362 UNUSUAL INCIDENTS AT NURSING HOMES AND GROUP HOMES, INITIATED 20 CASES, AND CREATED 5 REPORTS ON FRAUD AND ABUSE IN THE MEDICAID PROGRAM. IN FY 2001, THREE CASES WERE PRESENTED TO THE U. S. ATTORNEY AND ALL THREE WERE ACCEPTED. IN ADDITION, THE MFCU HAS WORKED WITH THE MEDICAL ASSISTANCE ADMINISTRATION AND OBTAINED REPAYMENT OF OVER \$250,000 OVERPAID TO MEDICAID PROVIDERS.**

**I AM MINDFUL OF THE POTENTIAL BUDGET SHORTFALLS FACED BY THE DISTRICT IN FY 2002. HOWEVER, I STRONGLY BELIEVE THAT THE RETURN ON INVESTMENTS BY OUR AUDITS, INVESTIGATIONS, AND INSPECTIONS WILL MORE THAN PAY FOR THEMSELVES. THROUGH OUR COLLECTIVE EFFORTS, AND WITH YOUR CONTINUED SUPPORT, WE WILL CONTINUE TO IDENTIFY POTENTIAL MONETARY BENEFITS WHICH CAN BE REALIZED BY THE DISTRICT AND WE WILL CONTINUE TO WORK AGGRESSIVELY TO FERRET OUT FRAUD, WASTE, AND ABUSE IN CRITICAL GOVERNMENT OPERATIONS.**

**AT THIS TIME I WILL BE HAPPY TO ANSWER ANY QUESTIONS.**