

**TESTIMONY OF DANIEL W. LUCAS, INSPECTOR GENERAL
BEFORE THE
COUNCIL OF THE DISTRICT OF COLUMBIA
COMMITTEE ON EXECUTIVE ADMINISTRATION AND LABOR**

**BUDGET OVERSIGHT HEARING ON THE
OFFICE OF THE INSPECTOR GENERAL'S
FISCAL YEAR 2024 BUDGET
March 28, 2023**

Good afternoon, Chairperson Bonds and Members of the Committee. I am Daniel W. Lucas, Inspector General for the District of Columbia. I am pleased to appear before the Committee to review the Office of the Inspector General (OIG) budget submission for fiscal year (FY) 24. Joining me to assist in the presentation are Ms. Jaime Yarussi, Deputy Inspector General for Business Management, and Dr. James Hurley, Agency Fiscal Officer.

Today, I would like to discuss three specific areas: (1) the OIG's unique budget process; (2) our FY 23 budget and expenditures to date; (3) and our FY 24 proposed budget and recommendations for the FY 24 Budget Support Act.

BUDGET PROCESS

The OIG has a unique budget process as compared to other District agencies. Specifically, the OIG's enabling legislation states that the OIG "shall prepare and submit to the Mayor . . . annual estimates of the expenditures and appropriations necessary for the operation of the [OIG] for the year." These estimates are then "forwarded by the Mayor to the Council . . . , without revision

but subject to recommendations, including recommendations on reallocating any funds from the Inspector General’s estimates to other items in the District Budget.”¹

The OIG’s budget also benefits from a support fund (OIG Support Fund). The OIG Support Fund is funded by 25 percent of criminal restitution and recoupments generated from an OIG criminal investigation² and 25 percent of revenue from recaptured overpayments identified through an OIG audit, inspection, or evaluation.³ Before the OIG Support Fund receives any deposits, \$284,000 must first go to the District’s General Fund.⁴ Any local funds above \$1 million remaining in the OIG’s operating budget may be deposited into the OIG’s Support Fund at the end of the FY.⁵ However, not more than \$3 million may be deposited in any fiscal year,⁶ and the fund balance cannot exceed \$5 million.⁷

OIG’s FYs 23 BUDGET

OIG FY 23 Approved Budget. With the support of the Executive and the Council, the OIG’s FY 23 approved gross budget is \$25.584 million with 130.0 full-time equivalent (FTE) positions.⁸ The OIG’s gross budget includes 10 term FTE positions and \$1.86 million in non-personal services (NPS) resources to support oversight of the District’s \$3.3 billion American Rescue Plan Act (ARPA) appropriations. In FY 23, the OIG’s approved budget included a \$1

¹ D.C. Code § 1-301.115a (a)(2)(A).

² D.C. Code § 1-301.115c (b)(1).

³ *Id.* § (b)(2).

⁴ *Id.* §§ (b)(1)-(2).

⁵ *Id.* § (b)(3).

⁶ *Id.* § (c)(1)(A).

⁷ *Id.* § (c)(1)(B).

⁸ Note: The OIG’s FY 2023 Approved Budget shows 129.0 FTEs; however, 1.0 FTE was encumbered and requisite funding was restored after release of the FY 23 budget.

million spending authority in the OIG's Support Fund; however, that amount is subject to the receipt of revenues.

Not reflected in the OIG's FY 23 approved budget is the OIG's voluntary reduction following the [Office of the Chief Financial Officer's February 2023 Revenue Estimates](#). Due to the Estimate's immediate impact on the District's finances, the OIG worked with the Executive to return \$1 million in ARPA funding and \$500,000 in personal service (PS) surplus this FY.

OIG FY 23 Expenditures. In the first 5 months of FY 23, the OIG has expended about 28 percent of its local funds and 28 percent of its federal grant funds. As I testified before this Committee during the [OIG's FY 22 Performance Oversight Hearing](#), the bulk of the OIG's underspend this FY is due to vacant positions, which the OIG is working to fill with qualified candidates. I encourage those watching at home to look for OIG job opportunities at <http://careers.dc.gov>.

In addition to filling vacant positions, the OIG expects increased NPS spending through the remainder of this FY as we reconstitute operations in our new office later this summer.

OIG's FY 24 PROPOSED BUDGET

The OIG's proposed FY 24 budget reflects a net increase of \$387,000 in local funds and a \$135,000 increase in federal grant funds. The OIG did not submit any additional enhancement requests for FY 24. Additionally, the proposed budget reflects an increase of \$1.625 million to the OIG's Support Fund revenue estimate, which is subject to the receipt of revenues.

Given the District’s revenue estimates, the OIG’s FY 24 proposed budget includes voluntary reductions of \$1 million in ARPA NPS funds and \$500,000 in NPS local funds to support the District’s financial projections for next FY.

Not included in the OIG’s FY 24 proposed budget is funding to establish a Body-Worn Camera (BWC) Program, as required by D.C. Law 24-0289, Sec. 2. (c). This requirement is subject to the availability of funding, which the [Fiscal Impact Statement](#) estimates would cost \$334,000 in FY 23 and \$1.2 million over the 4-year budget and financial plan. As such, I look forward to collaborating with this Committee to secure the funding needed to meet this unfunded mandate.

Budget Support Act Recommendations. I would like to conclude my testimony by highlighting the OIG’s recommendations for the “Fiscal Year 2024 Budget Support Act of 2023.”⁹ (FY 24 BSA).

- First, given the increasing cybersecurity threats facing the District, a BSA amendment (Title I. Government Direction and Support, Subtitle A. Technology Grants, Programs, and Security) would bolster the District’s overall cybersecurity efforts by codifying the Office of the Chief Technology Officer’s (OCTO) role across the entirety of the District government. This proposed amendment furthers previous OIG recommendations to improve the District’s overall cybersecurity efforts.

However, parts of this amendment would be in conflict with the OIG’s statutory requirements to maintain the confidentiality of any person who brings a complaint or

⁹ D.C. Council, Fiscal Year 2024 Budget Support Act of 2023, B25-0202, <https://lms.dccouncil.gov/downloads/LIMS/52613/Introduction/B25-0202-Introduction.pdf>. (last visited Mar. 27, 2023).

provides information to this Office,¹⁰ comply with rule 6(e) of the Federal Rules of Criminal Procedure, and adhere to standards promulgated by the Council of the Inspectors General on Integrity and Efficiency (CIGIE).¹¹ We have recommended changes to the amendment that mitigate any potential statutory confusion between OCTO and OIG responsibilities and authorities.

- Second, the OIG has proposed two additional amendments to the Subtitle (Title I. Government Direction and Support, Subtitle A. Technology Grants, Programs, and Security), which mirror the statutory requirements of federal office of inspectors general.¹² The first amendment would deconflict any issue related to the OIG’s statutory access to District information¹³ and our access to District IT systems and data in furtherance of our oversight work. The second amendment would include a statutory mandate similar to federal law,¹⁴ requiring the OIG to *independently* evaluate the District’s information security program and practices.
- Finally, the OIG proposes a new amendment designed to simultaneously increase the efficiency of OIG investigations while enhancing the safety of our criminal investigators. The amendment’s expected efficiencies would benefit the District’s revenue in future years, as our investigative work often results in civil and criminal monetary recoveries

¹⁰ D.C. Code § 1-301.115a (b-1)

¹¹ COUNCIL OF THE INSPECTORS GENERAL ON INTEGRITY AND EFFICIENCY, QUALITY STANDARDS FOR FEDERAL OFFICES OF INSPECTOR GENERAL, SECTION II. D. CONFIDENTIALITY 17 N.30 (Aug. 2012), <https://www.ignet.gov/sites/default/files/files/Silver%20Book%20Revision%20-%208-20-12r.pdf> (last visited Mar. 22, 2023).

¹² Inspector General Empowerment Act of 2016, Pub. L. No. 114-317, § 6 (2016). Available at: <https://www.govinfo.gov/content/pkg/PLAW-114publ317/pdf/PLAW-114publ317.pdf> (last visited Mar. 23, 2023).

¹³ D.C. Code 1-301.115a (c)(1).

¹⁴ Federal Information Security Modernization Act of 2014, Pub. L. No. 113-283, 44 U.S.C. § 3555 (a)(1) (2014).

that are included in the District’s revenue estimate as non-tax revenue.¹⁵ The amendment would also reduce the OIG’s reliance on partner law enforcement agencies – many of whom are contending with fewer resources to meet their mission requirements and may be unable to respond to future OIG requests for assistance. The amendment would not require additional funding and would only clarify the OIG’s authorities.

CONCLUSION

In conclusion, Chairperson Bonds and members of the Committee, the OIG has a critical oversight role for the District. In an environment of declining resources, the OIG has and will continue to help the District maximize its revenues and ensure its expenditures are economical, efficient, and effective. This concludes my testimony, and I welcome the opportunity to answer your questions.

¹⁵ See Office of the Chief Financial Officer, FY 2023 Approved Budget and Financial Plan, Vol. 1. Executive Summary, Table 3-15 (Aug. 1, 2022), <https://app.box.com/s/fqjbsheiqj4im029sjbhv16h4yqgiue> (last visited Mar. 23, 2023).