

**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 2027 BUDGET**

April 29, 2026

Good morning, 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 2027. Joining me today are Mr. Matthew Wilcoxson, Acting Principal Deputy Inspector General, and Ms. Jaime Yarussi, Deputy Inspector General for Business Management, who are here to help answer any questions you may have.

During today's testimony, I will cover three specific areas: (1) the OIG's unique budget process; (2) our fiscal year 2026 budget and expenditures to date; and (3) our fiscal year 2027 proposed budget.

BUDGET PROCESS

The OIG has a unique budget process 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 special purpose revenue fund (OIG Support Fund).² The OIG Support Fund budget anticipates estimated revenues to be deposited in the upcoming fiscal year, which would include 25 percent of revenue received from criminal restitution and recoupments generated from criminal investigations³ and 25 percent of recaptured overpayments identified through OIG audits, inspections, and evaluations.⁴

FISCAL YEAR 2026 BUDGET

Approved Budget.

The OIG’s fiscal year 2026 approved gross budget is \$23.5 million. Our approved budget includes \$1.0 million in budget authority in the OIG Support Fund. During the year, we reprogrammed \$600,000 in personnel services surplus to non-personnel services in order to fund American Sign Language interpretation services, obtain additional law enforcement equipment for our criminal investigators, and fund additional safety and security upgrades for our office space.

Expenditures.

Through April of this year, the OIG has expended about 40 percent of our initial fiscal year 2026 budget. We expect our expenditure rate to increase during the summer; most notably, to pay for

¹ D.C. Code § 1-301.115a (a)(2)(A).

² D.C. Code § 1-301.115c.

³ *Id.* § (b)(1).

⁴ *Id.* § (b)(2).

the ACFR audit contract option year renewal which is currently undergoing Council review,⁵ and we are in the process of filling several vacancies. As always, for the remainder of the fiscal year, we continue to seek opportunities to maximize the District's investments in the OIG and identify areas where District agencies can improve their operations to be more economical, efficient, and effective.

FISCAL YEAR 2027 BUDGET

Proposed Budget.

Looking beyond fiscal year 2026, the OIG's proposed fiscal year 2027 gross budget is \$23.6 million, reflecting an increase of 0.7 percent over the prior year's approved budget. Our proposed budget includes \$3.2 million in federal grant funds to support our Medicaid Fraud Control Unit (MFCU). Our proposed budget includes estimated deposits of \$1 million to the OIG Support Fund, which, if realized, will be used to fund emergent oversight requirements. Additionally, with the Executive's support, our proposed budget includes an additional full-time equivalent position to help bolster the MFCU's prosecutorial capacity.⁶

Strategic Priorities.

Our proposed budget reflects a continued commitment to oversight and accountability of the District government. As the Council deliberates the fiscal year 2027 budget, I must note that any reductions to our proposed budget would negatively impact our oversight capacity. Conversely, any additional resources provided to the OIG would enhance our ability to identify and

⁵ [CA26-0701](#) – Proposed Contract with CliftonLarsonAllen, LLP, exercising option under Contract No. CW123923.

⁶ The OIG's MFCU currently receives 75 percent of its funding from the U.S. Department of Health and Human Services under a grant award totaling \$3.07 million for FY 2026. The remaining 25 percent, totaling \$911,000 for FY 2026, is funded by the District.

recommend changes that strengthen economy, efficiency, and effectiveness across District programs and operations.

Building on topics presented and discussed during the OIG's [FY 2025 Performance Oversight Hearing](#), with additional resources, we intend to develop and deploy a system (the E³ Drift / Early Warning System) to better effectuate our statutory requirement to keep District agencies fully and currently informed about programmatic and operational problems and deficiencies. This system is designed to fill an information gap between our annual risk assessment and the resulting audit, inspection, and evaluation reports. Being able to leverage District information – in real time – to identify and report potential risks to a particular District agency, will reduce organizational drift that may lead to an adverse event impacting the District's overall economy, efficiency, and effectiveness.

CONCLUSION

Chairperson Bonds and members of the Committee: this will be my 12th and final budget oversight hearing as the Inspector General for the District of Columbia. I want to take a moment to reflect on what the District has built, how the OIG has transformed, and what is at stake as the District navigates a period of compounding uncertainty.

When I assumed this role, the OIG was often an afterthought. Over the past 12 years, we have systematized our operations, upheld rigorous professional standards, and redefined our commitment to good government -- economy, efficiency, and effectiveness. The work has not always been comfortable; however, oversight is, by design, not meant to be. I truly believe the District is better governed today because of the investments the Executive and the Council have

made in this Office. I say this not to elicit praise, but rather to make a point about institutional value.

As we are keenly aware, the District now faces a convergence of pressures unlike any in recent memory. From interventions at the federal level, to economic headwinds impacting future years' revenues, to near-term leadership transitions, the OIG stands at the ready to help the District navigate these challenges.

As I conclude my service in this role, I am proud of what the Office has accomplished, deeply respectful of the challenges ahead, and fully confident in the OIG's capacity and capability to meet our stakeholders' needs and expectations. I am grateful to this Committee, the Council, and the Executive for recognizing that the OIG is not an institutional formality, but an independent and objective partner advancing economical, effective, and efficient government. I am especially proud of the OIG staff, whose dedication has personally motivated me each and every day. It has been one of the greatest privileges of my 45-year professional career to serve the residents of the District of Columbia, who may not be intimately familiar with the OIG and its work, but who can be confident that this Office is working on their behalf to improve their lives.

This concludes my testimony, and I welcome the opportunity to answer your questions.