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Testimony of New York State Inspector General Letizia Tagliafierro to the New York State Senate's Ethics & Internal Governance Committee

Thank you, Chairperson Biaggi, Ranking Member Palumbo, and the distinguished members of this Committee for the opportunity to provide this testimony as the Committee seeks to examine New York State's system of ethics oversight and enforcement, identify improvements, and discuss alternative approaches to enforcing ethics.

At the Offices of the State Inspector General, New Yorkers are served every day by dedicated and professional employees who espouse public service. This office works tirelessly to preserve public integrity, prevent fraud and abuse of taxpayer resources, and ensure that our fellow State workers at executive agencies and authorities operate with integrity and in compliance with all laws and regulations.

We also assist agencies in finding ways to better serve the public. Through our review, audit and investigative functions, we have made hundreds of recommendations to help State agencies and authorities operate more efficiently and transparently. The taxpayers of the State of New York deserve nothing less.

Under New York State Executive Law Article 4-A, the Inspector General has jurisdiction over all executive branch agencies, departments, divisions, officers, boards, and over most public authorities and public benefit corporations. The Inspector General's functions and responsibilities include receiving and investigating complaints concerning allegations of corruption, fraud, criminal activity, conflicts of interest and abuse. The Inspector General also reviews the policies and procedures of covered agencies regarding the prevention of these types of misconduct. The Inspector General's responsibilities include oversight of the State agencies involved in infrastructure projects, and based on the nexus of state spending, also has jurisdiction over the contractors working on those projects.

The Inspector General's Case Management Unit (CMU) is responsible for receiving and processing complaints and allegations made to the Offices of the Inspector General. The CMU fields all complaints and then reviews and processes each to determine jurisdiction. Each complaint is logged in to a centralized database and then addressed and/or investigated by investigative and legal staff. The CMU may also refer matters to other agencies as appropriate and supports the investigative work of the entire office. All case-related information is treated as confidential information.

If a specific matter falls outside of the office's jurisdiction (i.e., a federal or local government agency), the CMU will advise the complainant of such and will make a referral to the proper entity to review their matter. Some complaints are ultimately determined to be best handled by the executive agency or authority complained of and are therefore referred to those entities to address via existing internal processes. However, even in these cases the Office of the Inspector General tracks and monitors each referral to ensure that the agency/authority responds in an appropriate manner.

The Inspector General provides training for State agencies and other organizations, including the New York Prosecutors Training Institute and the District Attorney's Association of New York, related to the OIG's authority and State employees' obligation to report fraud, conflicts of interest, criminal activity, and abuse including workers' compensation and welfare fraud investigations.

The Office has long-standing partnerships with numerous law enforcement agencies across the state, including district attorneys, police departments, the New York State Police, the Federal Bureau of Investigation and more. With regard to the infrastructure and integrity monitoring, the Inspector General coordinates with the appropriate oversight agencies, whether it be the U.S. Department of Transportation, the New York State Department of Transportation, Empire State Development, the New York State Thruway Authority, the Port Authority of New York and New Jersey or other relevant agencies.

In calendar year 2020, the Office of the Inspector General received 3,591 complaints. The majority of these complaints involved the Department of Corrections and Community Supervision (DOCCS), with many consisting of complaints from inmates at correctional facilities across the state. We also received a significant number of complaints involving the Department of Labor (mostly regarding unemployment insurance matters), OPWDD and CUNY.

The CMU classifies each complaint into one of 22 categories, ranging from misuse of state resources to improper hiring practices to discrimination. The Inspector General's Office received a total of seven complaints in the ethics category in 2020.

More information about these statistics may be found in the Office for the Inspector General's [inaugural annual report](#), found on our web site.

I wish to highlight several points about the Office of the Inspector General to the Committee as it considers its goal to examine New York State's system of ethics oversight and enforcement, identify improvements, and discuss alternative approaches to enforcing ethics:

- The Office of the Inspector General is not a prosecutorial body. We cannot file criminal charges, hand up indictments, or make arrests. This is an investigative body that refers findings to local, state, and/or federal law enforcement agencies for prosecution as deemed appropriate.
- Our jurisdiction is limited to the executive agencies and authorities outlined in Executive Law Article 4-A. By statute, the Inspector General is appointed by the Governor and reports to the Secretary to the Governor.
- With respect to certain provisions of the Public Officers Law and Lobbying Act, the Office of the Inspector General has complementary and parallel investigative jurisdiction with JCOPE. However, as mentioned above, the OIG does not have the authority to enforce violations that fall under the jurisdiction of JCOPE. As such, complaints and investigations regarding violations of New York's Public Officers Law or the Lobbying Law are routinely referred to JCOPE. Similarly, JCOPE routinely refers matters to our office that deal with potential state employee misconduct, fraud and/or abuse. Additionally, matters that come before our office and are fully investigated may have findings that warrant referral to JCOPE for further redress (as findings relate to violations of the Public Officer's Law and/or the Lobbying Law).
- The office does have the authority to issue subpoenas, a tool it uses in the regular course of business to gather evidence as part of an investigation.

Beyond the State Inspector General's statutory jurisdiction over executive agencies and related entities, the Offices of the New York State Inspector General encompasses three other distinct offices that protect taxpayer funds, ensure public assistance programs are employed responsibly and provide access to important safeguards for workers across the State:

- The Office of the Welfare Inspector General (OWIG), as established by §74 of New York State Executive Law, is tasked with maintaining the integrity of New York State's public assistance programs.
- The Office of the Workers' Compensation Fraud Inspector General (WCFIG), as established by §136 of the New York State Workers' Compensation Law, is responsible for investigating violations of the laws and regulations pertaining to the operation of the workers' compensation system.

- The Gaming Inspector General, consolidated into the Office of the Inspector General in June 2021 as part of the enacted New York State Budget, investigates allegations of corruption, fraud, criminal activity, and conflicts of interests or abuse in the New York State Gaming Commission. The Gaming Inspector General promotes transparency, accountability, honesty and integrity of New York's gaming activities, Gaming Commission employees, and those that conduct business with the Commission. This includes all lawful gaming and horseracing activity conducted in New York State.

I hope this testimony is useful in your committee's goal to examine New York State's system of ethics oversight and enforcement, identify improvements, and discuss alternative approaches to enforcing ethics.

Please feel free to contact my office if you have any questions.

Thank you.