

**OFFICE OF INTERNAL AUDIT & PROGRAM INTEGRITY**

**OFFICE OF MANAGEMENT AND BUDGET**

**DEPARTMENT OF ADMINISTRATION**

**QUARTER 2 STATE FISCAL YEAR 2026**

**QUARTERLY REPORT**

**INTERNAL AUDIT ACTIVITIES**

March 4, 2026

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## Administration

The Office of Internal Audit and Program Integrity (OIAPI) has an authorized headcount of 24 full-time employees. Currently there are three vacancies: one in the Leadership unit, one in the Fraud Detection and Prevention unit, and one in the Data Analytics unit. During the second quarter, OIAPI hired a Senior Internal Auditor II for Performance Audits and a Senior Internal Auditor I for Continuous Audits. OIAPI expects to post a job requisition for a Programming Services Officer, a Data Analyst III and a Fraud Internal Auditor in the third quarter.

OIAPI is structured as follows:

- Leadership (2; 1 Vacancy)
- Performance Audits (7)
- Continuous Audits (4)
- Fraud Investigation (7; 1 Vacancy)
- Data Analytics (3; 1 Vacancy)

### I. Performance Unit

In Q2 of State Fiscal Year 2026, the Performance Audits unit completed two (2) audits and is actively working on four (4) audits with another audit scheduled to begin in Q3. This unit will continue to follow the FY 2026 audit plan. Among the ongoing audits this quarter are two (2) audits required per the Quasi-Public Corporations Accountability and Transparency Act (the Act), outlined in Rhode Island General Laws (RIGL) § 42-155-7.<sup>1</sup> The Act requires OIAPI to conduct an audit of each quasi-public corporation at least once every five (5) years. The following is a summary of all completed and ongoing audits in Q2, SFY 2026.

#### A. Issued Performance Audits

##### *Rhode Island Public Transit Authority*

The Performance Audits unit conducted a limited-scope performance audit combined with a statutory compliance review under the Quasi-Public Corporations Accountability and Transparency Act (RIGL § 42-155). The audit evaluated the Rhode Island Public Transit Authority's (RIPTA) compliance with the transparency and reporting requirements mandated for quasi-public agencies, and reviewed RIPTA's internal controls over capital and infrastructure project oversight, budget allocation, cost management, project governance, and contract reporting. OIAPI engaged an external accounting firm, Weaver and Tidwell, L.L.P. (Weaver), to assist in the audit.

Weaver is a national accounting and advisory firm engaged to supplement OIAPI's internal audit resources by providing additional expertise and support for this engagement. Weaver was selected through a competitive procurement process in accordance with State purchasing guidelines.

RIPTA, established in 1964, is the State of Rhode Island's primary public-transit provider, operating fixed-route bus lines and demand-responsive "Flex" services across most municipalities in the state.<sup>2</sup> Its network covers 59 fixed-route lines and multiple Flex zones across 37 of Rhode Island's 39 municipalities. RIPTA is currently working under its long-range strategic plan, "Transit Forward

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<sup>1</sup> [Quasi-Public Corporations Accountability and Transparency Act RIGL 42-155-7](#)

<sup>2</sup> [Flex Service | RIPTA](#)

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RI 2040,” which envisions phased infrastructure investments including new transit hubs, renovation and upgrades to maintenance and office facilities (in support of fleet electrification), and enhancements to bus stops (including ADA improvements and real-time information displays).<sup>3</sup> Because of these extensive capital and infrastructure projects, the audit focused on how RIPTA governs, manages, funds, and monitors such projects to verify public-fund accountability, compliance with internal and state standards, and adherence to transparency laws

Key findings highlighted policy, documentation and statutory issues:

- Lack of Finalized Project Management Policy and Standards: RIPTA’s “Project Management Policy” and “Project Management Standards Manual” remained in draft form and had never received formal approval by RIPTA’s governing board. As such, the draft documents could not serve as authoritative internal criteria for project governance, undermining consistency and accountability across capital/infrastructure projects.
- Inadequate Project Performance Monitoring Framework and Documentation: From a sample of eight capital projects (from July 1, 2023, to June 30, 2024), documentation such as project charters, baseline schedules, predefined performance metrics or key performance indicators (KPIs), budget tracking reports, variance analyses, progress reports, and change-order or invoice logs were missing or incomplete. The “Capital Projects Dashboard” maintained in Excel was found to be highly manual, with data gaps, inconsistent filling of fields (purchase orders, change orders, invoice tracking), and insufficient structure to ensure reliable project oversight.
- Non-Compliance With Transparency & Contract Reporting Obligations under the Quasi-Public Corporations Accountability and Transparency Act: RIPTA had not fully complied with statutory requirements to maintain and publicly post an annual contracting report. Specifically, under RIGL § 42-90, quasi-public entities must list vendors/contractors that received payments above \$150,000 and post digital copies of contracts.<sup>4</sup> At the time of audit, RIPTA’s publicly available contractor reports on its website were outdated where the most recent report dated back to the first quarter of 2020, meaning that for more than five years, the public lacked visibility into RIPTA’s use of third-party contracts, vendor compensation, and outsourced services.

The Performance Audits unit provided the following recommendations to address these findings:

- Formalize Project Governance Policy: RIPTA should finalize and formally adopt the Project Management Policy and Project Management Standards Manual to provide authoritative guidance for consistent and transparent project governance across all capital/infrastructure initiatives.
- Establish Comprehensive Project Monitoring Framework: Develop, document, and implement a structured project performance monitoring procedure, including assignment of roles and responsibilities, standardized metrics (e.g., schedule adherence, cost variance, scope compliance, KPIs), reporting templates, escalation protocols, and post-project reviews and lessons learned. Ensure all project documentation (charters, scopes, baselines, change orders, budgets, invoices, status reports, variance logs, etc.) is maintained in a centralized,

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<sup>3</sup> [Transit Forward RI | RIPTA](#)

<sup>4</sup> [Disclosure of Names of State Government Consultants RIGL 42-90-1](#)

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accessible location ideally through an improved project-tracking system rather than a manual spreadsheet.

- Improve Transparency and Contract Reporting Compliance: Bring RIPTA into compliance with the Quasi-Public Corporations Accountability and Transparency Act's contracting-reporting requirements. This includes preparing and publishing up-to-date annual contracting reports, listing all vendors receiving \$150,000 or more, posting digital copies of contracts as required, and maintaining those disclosures on the state transparency portal in a timely manner.

The final report was issued on November 7, 2025.<sup>5</sup> Subsequently, the *Rhode Island Current* published an article discussing the findings of the Office of Internal Audit and Program Integrity's recent audit of RIPTA.<sup>6</sup>

### *Division of Motor Vehicles*

The Performance Audits unit conducted an audit of the Rhode Island Division of Motor Vehicles' (DMV) in-person payment-handling processes. The audit evaluated whether DMV's internal controls over payment receipts, transaction recording, reconciliation, safeguarding of State funds, deposit preparation, and oversight of third-party partners were properly designed and operating effectively. The review also assessed compliance with payment-handling policies, segregation of duties requirements, documentation standards, supervisory review protocols, and contract requirements governing third-party access to DMV's financial management system.

The Rhode Island DMV, operating under the Department of Revenue, administers motor-vehicle registration, licensing, dealer regulation, and inspection programs statewide. In FY 2025, DMV generated over \$253 million in revenue and processes a high volume of in-person payments across four branch locations: Cranston (Headquarters), Middletown, Wakefield, and Woonsocket. DMV also partners with several third-party entities, including AAA Northeast (AAANE), Legatus Solutions Corporation, and 25 licensed auto dealers, each of which performs specified registry services and collects state funds on DMV's behalf. Payment-handling activities are governed by the DMV Cash Processing Policy, which establishes responsibilities for Customer Service Representatives, supervisors, and the Headquarters Cashier Office.

The audit highlighted process inefficiencies and oversight issues:

- Outdated, incomplete, and inconsistently applied cash-handling policies: The Cash Processing Policy did not reflect procedural changes, branch-specific structures, updated reconciliation requirements, or physical-cash security expectations. As a result, reconciliation signatures were missing, documentation requirements were applied inconsistently, and physical safeguarding procedures varied across locations.
- Noncompliance with Drawer Summary Report (DSR) review requirements: OIAPI identified missing signatures, incomplete verification steps, and inconsistent adherence to the required two-person review process. Walkthrough observations showed reviewers were sometimes signing without validating supporting documentation.

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<sup>5</sup> [11.07.25 Rhode Island Public Transit Authority Audit Report.pdf](#)

<sup>6</sup> Rhode Island Current, "Audit faults RIPTA for lack of transparency in financial reporting practices," November 19, 2025, <https://rhodeislandcurrent.com/2025/11/19/audit-faults-ripta-for-lack-of-transparency-in-financial-reporting-practices/>

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- Insufficient oversight and inconsistent requirements for third-party partners: DMV did not maintain required confidentiality/non-disclosure agreements for AAANE staff, did not have a formal oversight policy for AAANE or Legatus, and applied background check and documentation requirements inconsistently across third-party entities. In addition, DMV did not consistently review dealer deposit submissions, resulting in missing documentation and delayed deposits.

The Performance Audits unit provided the following recommendations to address these findings:

- Revise Policies and Procedures: Modernize and formalize cash-handling policies and procedures to reflect current operational practices, define responsibilities across branches, and standardize reconciliation, documentation, and physical-security requirements.
- Update Review Controls: Strengthen DSR review controls by reinforcing training, implementing periodic supervisory monitoring, and ensuring all required signatures and verification steps are consistently completed.
- Implementation of an Oversight Policy: Establish a formal oversight policy for all third-party partners, implement uniform background-check and confidentiality requirements, and review dealer and vendor submissions regularly to ensure accuracy, completeness, and compliance.

The Performance Audits unit issued the final report on December 31, 2025.<sup>7</sup>

## B. Ongoing Audits

### *Department of Behavioral Healthcare, Developmental Disabilities & Hospitals (BHDDH)*

The Performance Audits unit is conducting an audit of BHDDH's capital asset management practices. BHDDH oversees a wide range of assets, including the Eleanor Slater Hospital campuses, community-based residential facilities, administrative buildings, and specialized medical equipment. These assets support the agency's delivery of care to tens of thousands of Rhode Islanders.

This audit aims to evaluate the effectiveness, efficiency, and compliance of BHDDH's asset lifecycle management specifically involving acquisition, tracking, utilization, maintenance, and disposal. The review includes verifying the accuracy of the agency's asset register, assessing maintenance documentation and schedules, and ensuring disposal practices meet environmental and regulatory standards. The Performance Audits unit will also assess internal controls to ensure governance over capital assets aligns with state policies and financial management principles.

### *Rhode Island Airport Corporation (RIAC)*

Created in 1992, RIAC operates and manages the State of Rhode Island's system of six (6) airports. RIAC is responsible for the planning, design, construction, maintenance, and operation of key airport facilities, most prominently Rhode Island T. F. Green International Airport in Warwick, as well as five general aviation airports: Quonset, Block Island, North Central, Newport, and Westerly. As a self-sustaining, entity, it is not reliant on the State's general fund for operations and works under oversight by a seven-member board appointed by the Governor.

The Performance Audits unit is evaluating the agency's compliance with the Quasi-Public Corporations Accountability and Transparency Act, as well as RIAC's financial management and

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<sup>7</sup> [12.31.2025 DMV In-Person Payment Handling Audit Report.pdf](#)

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oversight of both operational and capital expenditures. This includes assessing project budgeting, procurement practices, and cost controls, as well as reviewing project documentation, vendor selection, and performance monitoring. The audit will also test a sample of projects to compare estimated and actual costs and ensure adherence to matching fund requirements and internal policies. The engagement letter was sent on April 16, 2025.

#### *Department of Labor and Training (DLT)*

The Performance Audits unit is conducting an audit of the Rhode Island Department of Labor and Training (DLT) focused on its administration of three major income-replacement programs: Unemployment Insurance (UI), Temporary Disability Insurance (TDI), and Temporary Caregiver Insurance (TCI). These programs provide essential financial support to Rhode Island workers experiencing job loss, medical disability, or family caregiving needs. Given their high transaction volumes, complex eligibility requirements, and extensive interactions with claimants, employers, healthcare providers, and federal partners, these programs carry inherent risks related to operational performance, compliance, and improper payments.

This audit aims to evaluate the effectiveness, efficiency, and compliance of DLT's management of the UI, TDI, and TCI programs. The review includes assessing internal controls over eligibility determinations, benefit calculations, claim adjudication, fraud detection, data security, and overpayment recovery. The Performance Audits unit will also examine whether program administration aligns with state and federal requirements, whether policies and procedures support consistent and accurate benefit processing, and whether oversight mechanisms promote integrity, transparency, and timely service delivery for Rhode Island workers.

#### *Coastal Resource Management Council (CRMC)*

The Performance Audits unit is conducting an audit of the Rhode Island Coastal Resources Management Council (CRMC) with a focus on its financial and grants management practices. CRMC is the State's coastal regulatory and planning agency responsible for overseeing the protection, development, restoration, and long-term stewardship of Rhode Island's coastal resources. The agency manages a wide portfolio of activities including permitting, shoreline protection, coastal resilience planning, and habitat restoration that rely on sound financial oversight and effective administration of both state and federal resources.

This audit aims to evaluate whether CRMC's financial management, grant administration, and internal controls support transparency, accountability, and compliance with State requirements, federal grant standards, and applicable regulatory obligations. The review includes assessing the accuracy and reliability of grant documentation, evaluating monitoring and reporting processes, reviewing internal controls over fee and permit-related revenue, and determining whether financial oversight mechanisms adequately support CRMC's operational and regulatory responsibilities. The Performance Audits unit will also review policies governing procurement, reimbursement, and expenditure tracking to ensure alignment with statewide fiscal management principles and industry best practices.

#### *Financial Integrity and Accountability Act*

The Performance Audits unit administers the annual Financial Integrity and Accountability Act (FIAA) questionnaire, collecting and summarizing responses from State and quasi-public agencies. This questionnaire is considered a management self-assessment of internal controls and is used as a basis for evaluating residual risk as well as assisting the Performance Audits unit in determining

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the following year's audit schedule. For this year, the unit revised the questionnaire to improve the assessment of capital assets risk, artificial intelligence concerns, and to determine agency awareness of their last OIAPI audit. These additions will better inform the audit plan for the following fiscal year. The updated version introduces consistent response options, moving away from subjective judgments. The Performance Audits unit distributed the survey to 80 agencies and quasi-public agencies in Q2 of SFY 2026. During Q3 of SFY 2026, OIAPI will analyze the results to support the development of the SFY 2027 audit plan.

#### **D. Upcoming Audits**

Upon completion of the current audits, the Performance Audits unit will determine and select the upcoming audits based on the risk assessment conducted from the results of the 2024 Financial Integrity and Accountability Act questionnaire. The assessment of the questionnaire responses identified nine (9) agencies for inclusion in the SFY 2026 audit plan. In Q2, the Performance Audits unit completed two (2) audits and in Q3, they will initiate a review of the Executive Office of Housing.

Each audit will be tailored to the specific risks, operations, and oversight needs of the agency and/or program under review. Additional information will be provided in future reports as the objectives and methodologies for each audit are finalized.

## **II. Continuous Unit**

The Continuous Audits Unit is dedicated to auditing various Rhode Island Department of Transportation (RIDOT) projects, programs, and operations. Their scope includes, but is not limited to, determining compliance with all applicable federal and state laws, rules, and regulations.

#### **A. Indirect Cost Rates**

Indirect costs are expenses that cannot be readily attributed to a specific project or organizational activity but instead support multiple projects or operations within a firm. An Indirect Cost Rate (ICR) is a calculation used by architectural and design engineering firms to allocate a proportionate share of these indirect costs to each project. It represents the ratio of a firm's total indirect costs to a selected direct cost base, most commonly, direct labor.

In accordance with 23 Code of Federal Regulations (CFR) § 172.11, firms providing architectural, engineering and design-related services on state transportation agency projects that receive federal funding must update their ICR annually, based on their fiscal accounting period. The ICR must also comply with the Federal Acquisition Regulation (FAR), specifically 48 CFR, Chapter 1, Subchapter E, Part 31. These requirements are further detailed in RIDOT's audit policy memorandum titled *To All Consultants* (TAC 0412), which provides instructions for submitting ICR presentations and the required supplemental information.

RIDOT requires all current and prospective architectural or design engineering (A/E) consultants and subconsultants to submit up to date ICR information annually to OIAPI. OIAPI's Continuous Audits Unit is responsible for reviewing these submissions and conducting risk assessments to determine approval for use on RIDOT contracts. In Q2, SFY 2026, the Continuous Audits Unit completed and issued 18 ICR review letters for A/E consultants' fiscal years ending in 2024 or 2025. The table below details the types of approvals issued.

Figure 1: Completed Indirect Cost Rate Reviews in Q2 FY 2026

Consultant's Fiscal Year End	Approved <sup>8</sup> ICR Letters	Adjusted <sup>9</sup> ICR Letters	Cognizant Concurrence <sup>10</sup> ICR Letters	Totals
2024	12	2	1	15
2025	2	0	1	3

## B. Ongoing Audit

The Continuous Audit Unit is currently in the fieldwork phase of an audit of the RIDOT Bridge Group 39 – Route 146 Project (PTSID 0016R). The project includes major rehabilitation work on Bridge 041901 (Lincoln Farms Bridge, RI 146 Eddie Dowling Highway at RI 246 Charles Street) and Bridge 042701 (Mineral Spring Avenue Bridge at RI 146 Eddie Dowling Highway), as well as the replacement of Bridge 041601 (Breakneck Hill Road Bridge at RI 146 Eddie Dowling Highway) and Bridge 041701 (Twin River Road Bridge at RI 146 Eddie Dowling Highway).

To date, RIDOT has expended more than \$30.5 million on the project, which has a total budget of \$35.7 million. The project is expected to be completed in September 2026, approximately 23 months behind schedule. The purpose of this audit engagement is to determine whether RIDOT and its contracted vendors complied with applicable requirements for the Bridge Group 39 – Route 146 Project, including whether they:

- Complied with applicable federal (Federal Acquisition Regulation) and state laws, rules, and regulations;
- Followed state purchasing regulations in the procurement of goods and services;
- Adhered to contract terms, with all costs supported by appropriate and sufficient documentation; and
- Maintained accurate, complete, and up-to-date project records, including accurate reporting in RIDOT's Quarterly Reports.

## III. Fraud Detection & Prevention Unit

The Fraud Detection and Prevention Unit (FDP) investigates fraud, waste, and abuse involving the use of State funds and resources. Specifically, the FDP focuses on beneficiary programs overseen by the state's Department of Human Services (DHS).

### A. Case Resolution

<sup>8</sup> OIAPI accepted the consultants presented ICR(s) after completing a risk-based analysis in accordance with 23 CFR § 172.11(c)(2).

<sup>9</sup> OIAPI adjusted the consultants presented ICR(s) after determining noncompliance with the federal cost principles during the completion of a risk-based analysis.

<sup>10</sup> OIAPI accepted the audited ICR(s) as accepted by the cognizant agency in compliance with 23 CFR § 172.11(b)(ii). The cognizant agencies in these instances are the consultants' home State Transportation Departments, which have conducted audits in accordance with generally accepted government auditing standards to verify compliance with the federal cost principles outlined in 48 CFR Part 31 and has issued audit reports establishing the consultants' indirect cost rates.

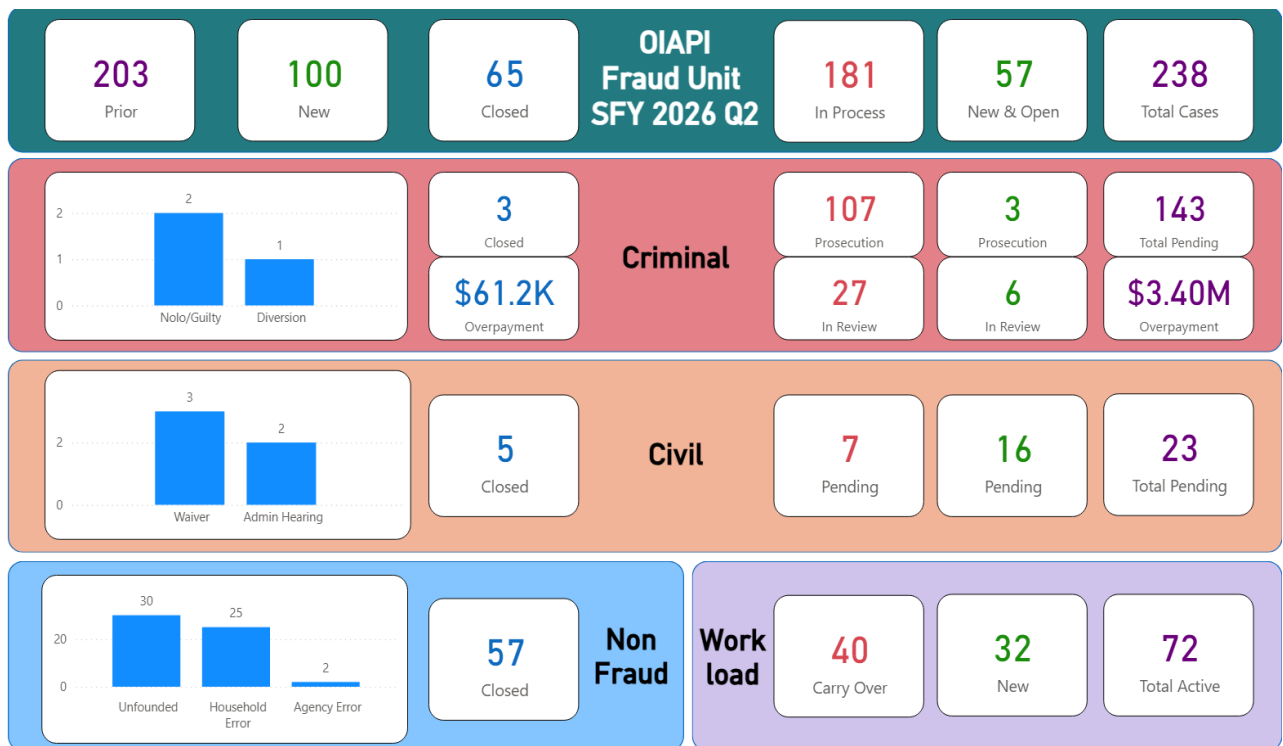
FDP investigates and compiles evidence to support either criminal or administrative actions, based on the severity of the offense and the amount of overpayment.

In Q2 SFY 2026, OIAPI investigated and closed 65 cases, including:

- 3 criminal cases involving approximately \$61.2K in overpayments
- 5 civil cases
- 57 cases with no finding of fraud

The table below provides a detailed breakdown of FDP acting in Q2, SFY 2026.

Figure 2: FDP Caseload and Legend for Q2 FY 2026



- **Prior:** Total cases at the end of last quarter
- **New:** Total new cases opened this quarter
- **Closed:** Total cases closed this quarter
  - **Criminal: Closed and Overpayment:** Criminal cases closed this quarter and associated dollar amount of fraud committed
  - **Civil: Closed:** Cases sent for civil adjudication closed this quarter
- **Non-Fraud: Closed:** Cases determined not to involve fraud this quarter
- **In Process:** Ongoing cases from previous quarters
  - **Criminal: Prosecution:** Ongoing cases pending in the judiciary
  - **Criminal: In Review:** Ongoing cases that are awaiting internal approval or calculation
  - **Civil: Pending:** Ongoing cases awaiting a hearing or waiver
- **New & Open:** Subset of the "New" cases. New cases that were opened this quarter and have not been closed
  - **Criminal: Prosecution:** New cases pending in the judiciary
  - **Criminal: In Review:** New cases awaiting internal approval or calculation
  - **Civil: Pending:** New cases awaiting a hearing or waiver
- **Total Cases:** All active cases including criminal, civil and all cases being investigated
  - **Criminal: Total Pending and Overpayment:** Total pending is the ongoing plus new criminal cases sent to prosecution or in review; overpayment is the dollar amount of fraud committed
  - **Civil: Total Pending:** Total ongoing plus new civil cases sent for adjudication and awaiting determination
- **Workload**
  - **Carry Over:** Ongoing active cases being investigated by the Fraud unit from previous quarters
  - **New:** New cases being investigated by the Fraud unit
  - Total Active:** Total active investigations currently ongoing by the Fraud unit

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## B. Significant Investigations & Activities

### *Skimming*

Skimming refers to a type of fraud in which benefits are stolen from recipients' accounts using fraudulently obtained Electronic Benefits Transfer (EBT) cards and personal information. Criminals use this information to make unauthorized online purchases or to create counterfeit cards, ultimately stealing funds from victims' accounts. During Q2 of SFY 2026, Rhode Island experienced a 21% decline in the dollar amount associated with skimming compared to Q1. During Q2 there were 33 incidences of skimming totaling \$5,817.16.

The OIAP Data Analyst and FDP Unit will continue to collaborate closely with DHS, the Office of Inspector General (OIG), and FIS Global, the state's EBT vendor, to proactively prevent fraudulent activities. These efforts include blocking commonly used PINs to reduce the risk of guesswork or brute force attacks, preventing PIN reuse so that previously compromised codes cannot be exploited again, and adding a date of birth verification step when users attempt to change their PIN, thereby introducing an extra layer of identity confirmation.

### *Beneficiary Fraud*

The Fraud Detection and Prevention Unit (FDP) investigates various types of beneficiary fraud. During the second quarter of SFY 2026, FDP observed an escalation in cases involving identity fraud tied to benefit programs. The most common schemes included individuals applying under the names of deceased persons, the submission of fraudulent documents such as driver's licenses, Social Security cards, and birth certificates, and impersonators applying for benefits under multiple identities.

FDP continues to collaborate with U.S. Department of Agriculture (USDA), Social Security Administration (SSA), and other federal agencies on various types of fraud cases, including identity fraud. During Q2, FDP continues to investigate five federal cases with an approximate amount of \$458,222. These fraud schemes involve submitting fraudulent identification documents and fraudulent Medicaid billing.

FDP continues to work on several investigations involving state employees suspected of beneficiary fraud. In Q2, fourteen state employees have cases pending in the judiciary with an associated overpayment amount of \$603,257. Four additional investigations of state employees are ongoing.

The fraud schemes associated with these state employee cases primarily involve failure to report income, underreporting household income, and misrepresenting household composition as well as fraudulent Medicaid billing. FDP continues to actively investigate these matters and collaborate with law enforcement partners to ensure accountability and recovery of funds.

### *Medicaid Provider Fraud*

In the SFY 2026 budget, OIAP received funding for a new Data Analyst III position. The purpose of this position is to enhance the office's capacity to partner with the Executive Office of Health and Human Services (EOHHS) in investigating fraud committed by Medicaid providers. OIAP has engaged with EOHHS to participate in their quarterly Program Integrity, Managed Care, and the Medicaid Fraud Control Unit meetings. These groups play an important role in helping EOHHS to coordinate and collaborate on Medicaid provider fraud cases. With the addition of the Data Analyst III position, OIAP will leverage its existing data sources to identify potential Medicaid provider fraud leads.

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## Training

FDP has been compiling materials to deliver specialized training for DHS Eligibility Technicians, who are responsible for reviewing and approving benefits at the initial point of entry. DHS has quarterly meetings with staff, and FDP made a presentation at their January meeting. The training focused on how to identify fraudulent documents as well as understanding what constitutes a proper fraud referral.

FDP management also delivered a presentation to a fraud examination class at Johnson & Wales University addressing the definition of beneficiary fraud and methods for identifying it. The presentation included adjudicated cases and provided a detailed overview of the investigative process, from the initial tip through sentencing. Based on the positive feedback received from both students and staff, we plan to continue offering similar presentations in the future.

In addition to participating in external trainings, FDP has provided trainings to law enforcement partners. The next scheduled training will be a session for the Rhode Island Municipal Police Training Academy focused on the trafficking of EBT cards, distinguishing this crime from stolen or misused cards. Trafficking includes the buying, selling, or exchanging of SNAP benefits accessed via EBT cards for cash; attempts to trade firearms, ammunition, explosives, or controlled substances for SNAP benefits; the purchase of eligible items with SNAP benefits followed by their resale or exchange for non-eligible items or cash; and the selling or buying of EBT cards or card numbers themselves. FDP last conducted training for the academy in March 2024.

Currently, all members of the Fraud Unit hold the CWFI (Certified Welfare Fraud Investigator) certification. In addition, three investigators are Certified Fraud Examiners (CFE) and one is a Certified Forensic Interviewer (CFI), further strengthening the unit's professional credentials.

## IV. Data Analytics

### A. Report Automation: Achieving Operational Steady State

The Data Analytics group has successfully transitioned its core reporting infrastructure into a high-efficiency steady state, moving beyond initial configuration to a reliable production environment. In close partnership with the Division of Enterprise Technology Strategy and Services (ETSS), the team utilized dedicated service accounts to achieve 100% automation of the Extract, Transform, and Load (ETL) process across all data sources. This transition eliminates manual data pulls and human error, ensuring critical reports are available with consistent reliability. The stability of this environment allowed the team to double its reporting frequency to a weekly cadence, providing leadership and investigators with the most current data available. Additionally, a redesigned fraud referral web form now utilizes advanced classification logic to ensure high-quality leads. These referrals are automatically ingested into the IMPACT system in real-time, allowing high-priority cases to advance immediately for follow-up.

### B. RADAR (Rapid Automated Detection and Resolution)

RADAR remains a cornerstone of fiscal accountability, identifying high-risk cases where agency process gaps or IT system processes may have allowed ineligible recipients to receive DHS-administered benefits. The Over-Income Model, which reviews recipient income eligibility, is now in a mature steady state, maintaining a high 80% individual case closure rate. This precision ensures state resources are focused on the most actionable instances of ineligibility. In Q2 SFY 2026 alone,

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RADAR led to the closure of 249 ineligible Medicaid cases and 125 ineligible SNAP cases, surpassing previous totals and supporting an estimated annual cost avoidance of \$10.4 million in all funds (Federal and State). Ongoing biweekly meetings with DHS ensure continuous policy alignment and model refinement. Current expansion efforts are focusing on advanced out-of-state detection – integrating data from the federal Public Assistance Reporting Information System (PARIS), EBT spending geography, and other data sources – while collaborating with RI Bridges administrators to identify systematic issues causing improper approvals. The long-term goal remains integrating RADAR functionality directly into RI Bridges for automated eligibility triggers.

### **C. Share Infrastructure and Interagency Collaboration**

OIAPI has significantly strengthened cross-agency partnerships to detect fraud and waste. A primary SFY 2026 focus is the pension integrity initiative with the Employees' Retirement System of RI (ERSRI). To address inadvertent payments to deceased estates, the team developed Power BI reports and automated email alerts to notify ERSRI of recent deaths in near real-time. This infrastructure allows for an immediate pause in disbursements, preventing the accrual of overpayments and protecting the integrity of the pension fund. To ensure the sustainability of these data flows, the team is currently developing a Memorandum of Understanding (MOU) to formalize data governance and permissible use. These efforts have expanded access to critical pension payment details for benefit program eligibility matching, fostering a unified approach to program integrity that reduces duplicate work and secures the state's fiscal health.