

**Testimony of Inspector General Jeffrey S. Shapiro Regarding the FY 2027 OIG Budget  
Before the House and Senate Committees on Ways and Means  
February 11, 2026**

Chair Rodrigues, Chair Michlewitz, and Members of the Senate and House Committees on Ways and Means:

Good day.

Thank you for the opportunity to appear before your committees today to discuss the Fiscal Year 2027 (FY27) budget.

Before I begin, I would like to thank you for the trust the Legislature has placed in the Office of the Inspector General (OIG). The Legislature has tasked the OIG with reviewing three specific issues – special education transportation, spending by sheriffs’ departments, and the bar advocate system. I view this as an acknowledgment of the independence, professionalism, and track record the OIG team brings to the table. Thank you.

Looking toward FY27 and keeping the fiscal headwinds that the Commonwealth faces in mind, I offer my testimony.

House 2 funds our office at 3.5% above the FY26 General Appropriations Act (GAA), which is about \$100,000 less than our request to you. My total request across all our line items is an increase of \$445,160, or 4.8% over the FY26 GAA. I believe this to be a modest budget request. In fact, when you factor in the \$850,000 in additional appropriations associated with the three specific reviews I mentioned – which we very much appreciate – we would actually be funded in FY27 **at less than our current fiscal year level.**

As I am the last person to testify before you on an already full day of detailed testimony, and as I have provided the details to committee staff, I will not take you deep into the details of our request. And although there are other investments the OIG could benefit from – such as an increase in our health and human services unit to expand our reach to more agencies and a request on how oversight of megaprojects should be funded – I am not including such requests at this time in light of the economic climate.

What I would like to focus on is how the OIG has been a solid investment in good times and especially in bad times. Our work is broad and deep, covering all state agencies and municipal governments of the Commonwealth.

When the OIG was created in the 1980s, the Legislature had the foresight to create a model that is still the most impactful that I have seen compared to others across the nation. And I have a very clear vantage point nationally as an elected member of the Board of the Association of Inspectors General, where I chair the Membership Committee and serve on a committee that helps jurisdictions create inspector general offices or assists inspector general offices in instances where their authority or independence may be at risk. The Massachusetts OIG has the independence and

the tools to do meaningful and impactful work. And, uniquely, we do this at both the state and local levels. We take this responsibility for both levels of government very seriously.

Since I became Inspector General over three years ago, I have invested in the agency's personnel and technological assets.

As far as staffing, in addition to trying to make OIG salaries competitive with other state agencies, I have invested in professional development. This year, 14 members of the OIG staff either earned certification through the Association of Inspectors General or the Association of Certified Fraud Examiners. Earning and retaining such certifications are important external measures of the skill and ability of our team members who do this important work. Given the work we do, it is important to attract and retain skilled and talented individuals. I want the OIG to be a destination, not a launching pad to other agencies.

I've also focused on modernizing the agency's IT resources and improving its cybersecurity. Every year we make progress. Currently we're procuring a new case management system, vital for any investigative agency. Our current system has been at its end of life for a few years now. Beyond being antiquated and difficult to maintain, its limited capabilities make it cumbersome to properly manage our workflow. It requires multiple workarounds to provide critical data reporting. Implementation of the new system crosses into FY27, and we'll then need to support it going forward.

The investments in our staff and technology have paid off in our work, which can broadly be categorized into prevention and compliance.

I am proud to say that one of our most important prevention tools is our OIG Academy, where we teach on numerous topics, including procurement, fraud awareness and prevention, and governance. In 2025, approximately 2,050 students registered for 135 OIG Academy classes. Over 550 individuals earned or renewed their Massachusetts Certified Public Purchasing Official (MCPPO) Designation, the gold standard for municipal procurement professionals. Seventy-nine Massachusetts municipalities participated in our pilot "One Free Designee" Program, bringing total municipal participation to 216. And 102 Massachusetts school districts participated in our pilot "One Free Designee – Schools" Program. For these One Free Designee programs, the OIG picks up the cost for one municipal or school employee from each city, town, or school district to earn the MCPPO Designation. This type of education helps strengthen government at all levels and provides public officials and staff with the tools to do their jobs well.

Engagement is another key to prevention. In the past year, we met with over 60 state and legislative leaders to understand their work and priorities. At the municipal level, the OIG continues to be very active. We held over 65 meetings with local officials to understand their operations, what their pain points are, and where we might be helpful. Since becoming Inspector General, I have met with officials in their city or town halls in 100 municipalities. Just yesterday, I spent the day meeting with stakeholders in the city of Newton, including their newly inaugurated mayor, Marc Laredo, who is off to a great start.

We have a procurement technical assistance team that answers questions relating to municipal procurement. In 2025, they responded to over 1,100 inquiries.

Our focus in recent years has been on expanding our communications with public officials, stakeholders, and most importantly, the public. If people don't know what we do, they won't know when to turn to us for help. Nor does our work deter bad actors if our reports and letters are not widely distributed.

I have increased our communications with municipal leadership by sending out a targeted email each month, each of which addresses how to mitigate a municipal risk. Topics have included cash handling, offboarding, and written knowledge transfer documentation, to name a few – risks which can easily be mitigated to protect municipal resources. My view is that if a city or town leader takes our advice, 12 municipal risks a year can be mitigated across the entire Commonwealth with very little effort. Real results, really quickly. This communication, *OIG In Your Inbox*, is aimed at giving leadership quick information that may make them think about how they handle the issues discussed. We sent eight of these last year. That's in addition to our quarterly *OIG Bulletin*, which reaches a wider audience and has wider subject matter.

On the compliance side, last year at the state level we reviewed \$57.8 million in transportation and transit funding, identified \$4.2 million wasted on the Steamship Authority's website, and found that \$180,000 was improperly paid to a former mayor under a now-repealed municipal longevity pay ordinance. We continued to work with health and human service agencies on improving vendor management, to name just a few highlights. The OIG issued 20 investigative letters or reports regarding state-level entities, including quasias.

The OIG issued 10 letters or reports related to municipal issues, many of which wouldn't have been addressed by anyone else if we did not act. Some of these may be low-dollar violations, but those amounts are meaningful to the municipalities impacted.

Additionally, as part of our statutory responsibilities, we reviewed applications and sent letters approving the use of the construction management at-risk methodology for 20 projects with total estimated costs of \$2.6 billion. These are just some examples of our compliance work.

Lastly, I'd like to touch on the statutory reports I mentioned earlier. We were tasked with reviewing special education transportation, spending by sheriffs' departments, and the bar advocate system. These are all resource-intensive projects that require a lot of time to provide you with executable recommendations. Each project requires us to utilize significant internal staff, as well as external consultants. We appreciate that each of these mandates provided resources to help offset our expenses. As you will read when these reports issue, each will include both immediate action items that the Legislature can take should you choose to do so, as well as longer term changes that you should consider.

There are no easy solutions to any of these issues, but there are things that can be done to improve these areas. My goal with each of these reports is to provide you with immediate action steps for FY27. This will be coupled with additional action steps for future years. The special education transportation and preliminary sheriffs' spending reports will be released this month. The final

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sheriffs' spending report and the bar advocate report will be issued in May and June, respectively. I hope that you will find these reports to be instructive on paths forward in each area.

The takeaway theme that I hope I will leave you with is that the OIG is not just a solid investment, but it is truly a bargain for how broad and deep our impact is with such a relatively small annual investment. Thank you for considering our request.

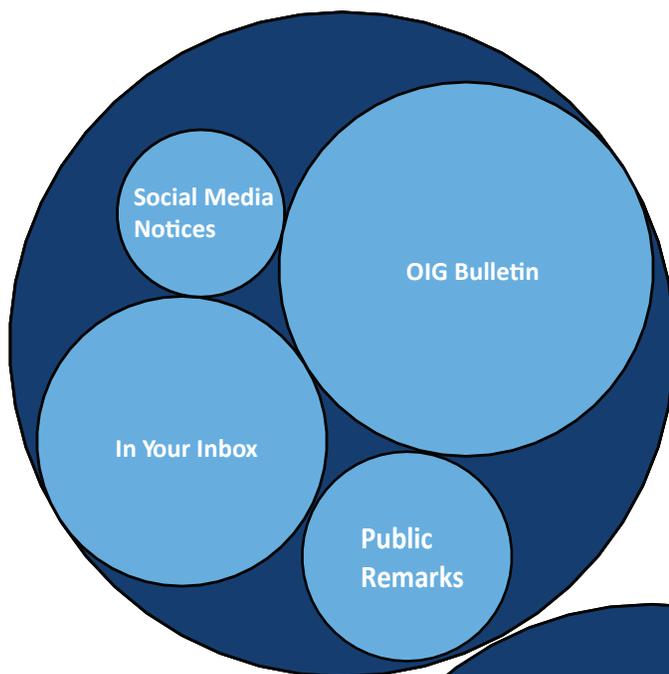
With the permission of the Chairs, I am happy to answer your questions.

Thank you.

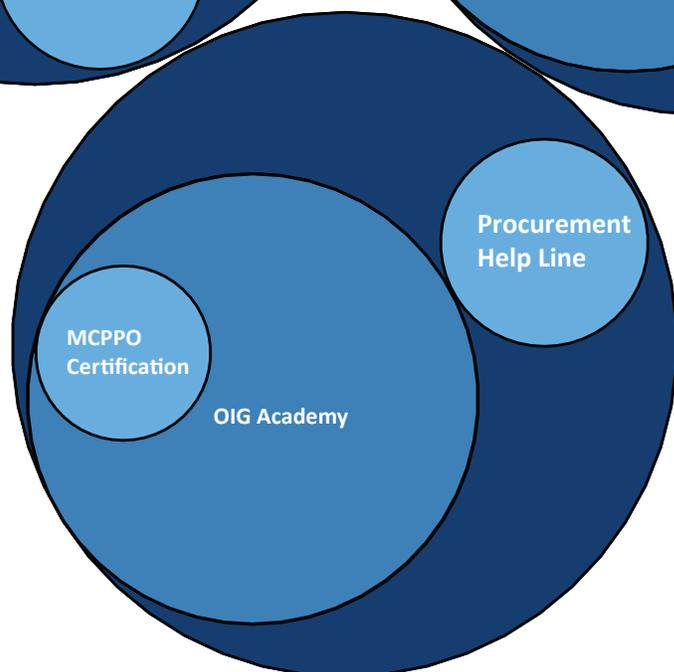
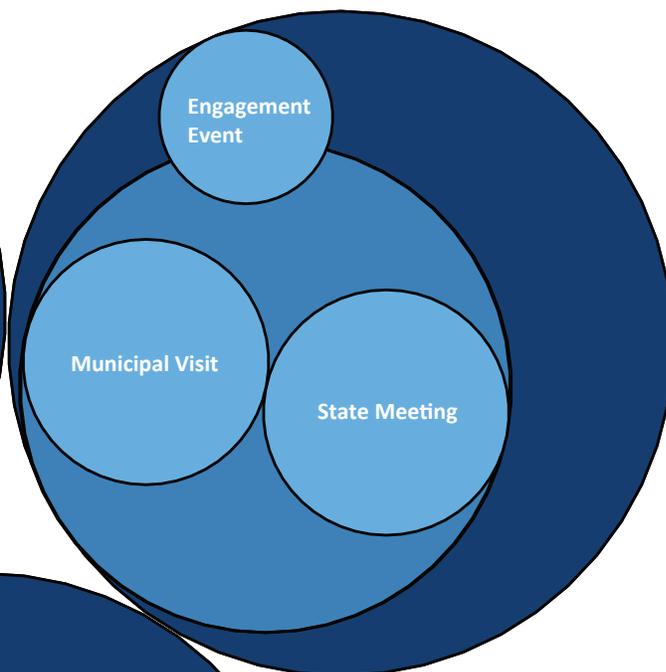


# CY 2025: Prevention (Chart 1)

## Outreach



## Engagement



## Training



# CY 2025: Prevention

Engagement, outreach and training to help public agencies mitigate risk of fraud, waste and abuse.



## Outreach

**In Your Inbox:** Published **8** monthly, targeted emails to municipalities addressing how to mitigate a risk.

**OIG Bulletin:** Published **4** issues that provided up-to-date information on various topics important to public officials.

**Social Media Notices:** Expanded social media outreach to include prevention messages, promote training opportunities and highlight investigations.

**Public Remarks:** Continued to extend the OIG's media presence through traditional media outlets - radio, television and newspapers. These interviews help promote the OIG's mission and impact among the general public.



## Engagement

**Municipal Visit:** Attended **67** meetings in communities with local public officials.

**State Meeting:** Attended **62** meetings with public officials at the state level.

**Engagement Event:** Visited **8** public facilities to better understand agency work and presented at **14** events to a variety of stakeholders.



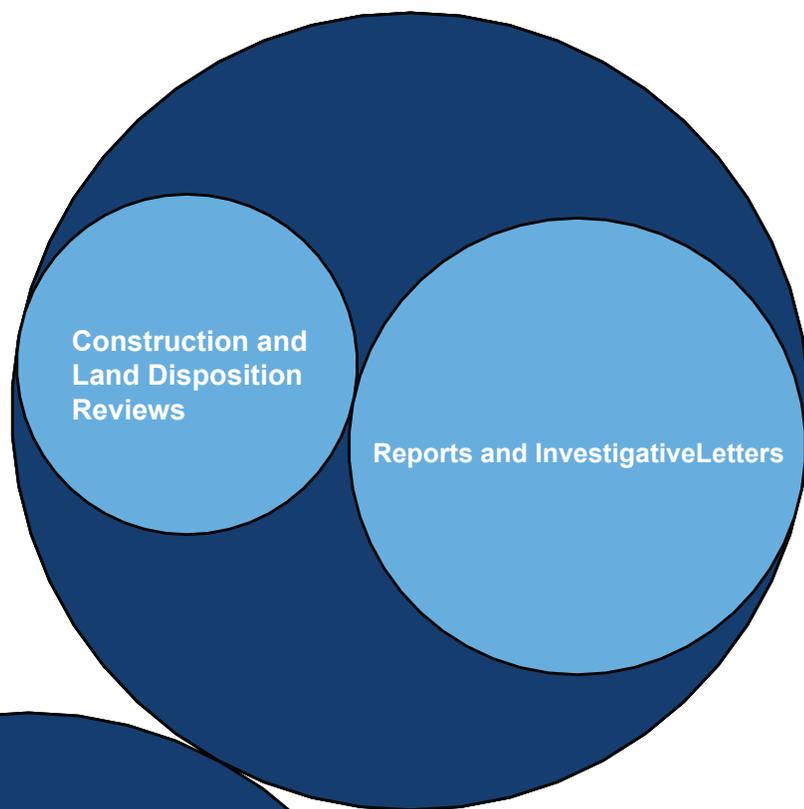
## Training

**OIG Academy:** Enrolled approximately **2,050** students in **135** course sections for a total of **4,757** enrollments.

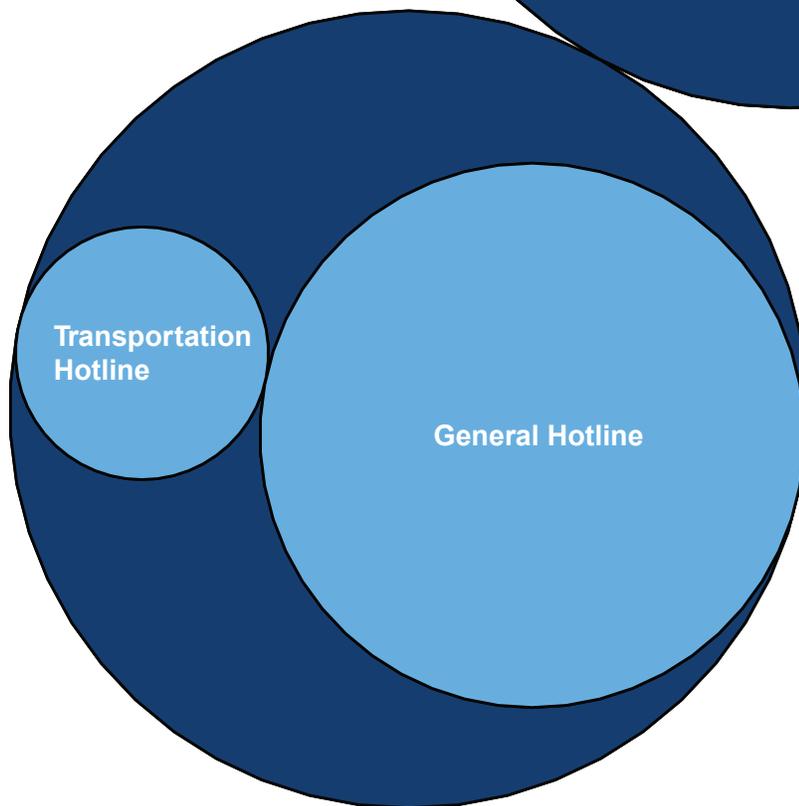
**MCPPO Certification:** Awarded **553** students their Massachusetts Certified Public Purchasing Official certification.

**Procurement Help Line:** Answered **1,169** questions through the procurement help line.

## Letters and Reports



## Hotlines





# CY 2025: Compliance

Activities to ensure public agencies are following laws, regulations and rules.

## Hotlines

**Transportation Hotline:** Received **421** calls by the OIG's transportation division on MassDOT and MBTA.

**General Hotline:** Received **1,954** calls to the fight fraud hotline on general fraud, waste, and abuse.

## Construction & Land Disposition Reviews

Conducted **51** construction and land disposition reviews.

## Select CY 2025 State and Municipal Reports/Letters

- 2/13/2025 **Cape Cod Gateway Airport:** COVID 19 Grant Funding Review
- 2/27/2025 **Everett:** City Council President Martins re: Improper Longevity Payments
- 3/3/2025 **EOHHS:** MassHealth and Health Safety Net Annual Healthcare Report
- 3/4/2025 **MBTA:** Fare Collection
- 3/18/2025 **Orange:** Credit Card Internal Controls
- 3/27/2025 **CCC:** Failure to Collect Certain Fees
- 6/25/2025 **DFML:** Paid Family and Medical Leave - Unpaid Seven-Day Wait Periods
- 7/29/2025 **Barre:** Department of Public Works Lack of Timekeeping Controls
- 9/17/2025 **Upper Cape Cod Regional Technical School:** Improper Procurement Practices and Inadequate Policies
- 9/22/2025 **Hopkinton:** Parks and Recreation Department Circumvention of State Procurement and Cash Handling Laws
- 11/18/2025 **DCR:** Pope's Island Marina - Lease Payments, Marina Maintenance
- 12/3/2025 **Brockton:** Brockton Public Schools FY23 \$18 Million Budget Deficit
- 12/18/2025 **The Steamship Authority:** Website Development Project; wasted up to \$4.2 million