

Inspector General

- Requested 28.3% increase in FY 2002 and a 2.5% increase in FY 2003.
- \$411,485 in supplemental requests for biennium
- IG jurisdiction extends to 60,000 state employees

OVERVIEW

The Office of Inspector General (IG) investigates fraud, waste, abuse, and corruption within the executive branch of state government. Complaints received by the office are reviewed and evaluated to determine whether there is reasonable cause to believe the underlying allegations, if true, would constitute a “wrongful act or omission” on the part of a state officer, agency, or employee.

The jurisdiction of this office extends to the Governor, his staff, state agencies, departments, boards, commissions, and any other entities appointed, employed, controlled, directed, or subject to the authority of the Governor.

At the conclusion of an investigation by the Office of Inspector General, a report of investigation is completed and provided to the Governor and the agency subject to investigation. The report may include recommendations for the board to consider in addressing and avoiding the recurrence of fraud, waste, abuse, or corruption uncovered by the investigation. When appropriate, a report of investigation may also be forwarded to a prosecutor for review to determine whether the underlying facts give rise to a criminal prosecution.

Currently the IG has seven full time employees. Total executive recommended funding from all budget fund groups, GRF and GSF, is decreased by \$5,919 in FY 2002 (0.8% below FY 2001) and increased by \$33,543 in FY 2003 (4.6% above FY 2002).

ADDITIONAL FACTS AND FIGURES

Inspector General (IG) Staffing Levels						
Inspector General	1998	1999	2000	2001	Estimated*	
					2002	2003
Full-time personnel	5	7	7	7	7*	7*
Totals	5	7	7	7	7*	7*

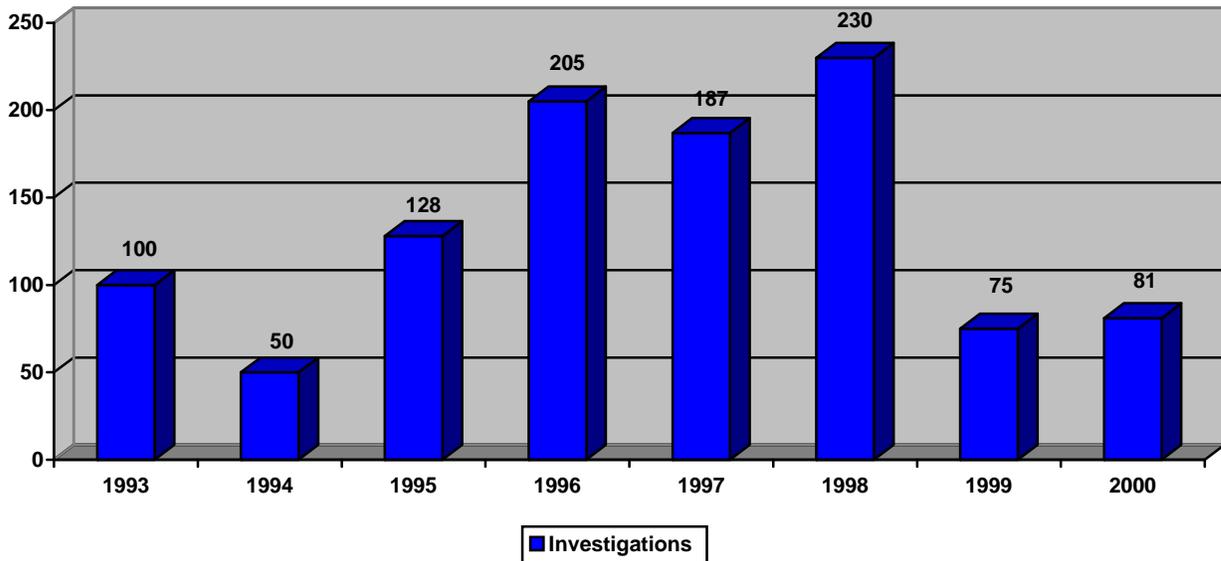
* 9 positions were requested, but only 7 were funded by the Executive.

Special Investigation Staff

Over the past 1.5 years the IG contracted with 1-5 special investigators to help with cases that involve special skills and expertise. Currently, the IG has 3 part-time investigators assisting the office.

IG Case Level

Investigations - 1993 to 2000



Prior to 1999 there was a different Inspector General. In addition there were different complaint handling procedures, a different computer tracking system, and a completely different way of maintaining the statistics – i.e. for bookkeeping purposes, all complaints were “officially” opened and closed. Unlike the former IG, the current IG does not investigate complaints involving entities the IG does not have jurisdiction over and/or inmate complaints. General complaints involving inmate institutional conditions are now forwarded to the Correctional Institution Inspection Committee for review. The current IG does advise inmates that their complaints have been forwarded.

ANALYSIS OF EXECUTIVE PROPOSAL

INSPECTOR GENERAL

Single Program Agency

Purpose The Office of the Inspector General (IG) investigates wrongful acts or omissions committed by state officers or state employees involved in the management and operation of state agencies.

The following table shows the line items that are used to fund this agency, as well as the Governor’s recommended funding levels.

Fund	ALI	Title	FY 2002	FY 2003
GRF	965-321	Operating Expenses	\$730,334	\$763,877
Total funding: Inspector General			\$730,334	\$763,877

Inspector General Agency Description: The Office of the Inspector General (IG) investigates fraud, waste, abuse, and corruption within the executive branch of state government.

The jurisdiction of the IG extends to the governor, the governor’s cabinet and staff, state agencies, departments, boards, commissions, state universities, medical colleges, and any other individuals appointed, employed, controlled, directed, or subject to the authority of the governor. The IG jurisdiction encompasses approximately 60,000 state officers and employees.

The following entities and personnel *do not* fall within the jurisdiction of the Inspector General: the Ohio General Assembly, any Ohio court, and executive agencies headed by elected officials, such as the offices of Auditor, Secretary of State, Treasurer, and Attorney General.

When the Inspector General receives a complaint, it is reviewed to determine if there is a reasonable cause to investigate. The Inspector investigates allegations to determine if a “wrongful act or omission” has been committed by a state officer, agency, or employee. In 1999, IG opened 77 cases, closed 75 cases, and found 47 instances where there was reasonable cause to believe an act of wrongdoing or omission had been committed. In 2000, IG opened 73 cases, closed 81, and found 33 instances of wrong-doing.

If the IG determines that a “wrongful act or omission” was committed, it must review and evaluate the relevant policies and procedures surrounding the “wrongful act or omission,” and advise the relevant state agency as to changes that should be made to prevent recurrences of similar acts or omissions. In 1998, 38 such recommendations were made to various state agencies. In 1999, 99 recommendations were made to state agencies and 68 in 2000.

If the IG finds wrongdoing or criminal activities have occurred, it will make a referral to another agency, investigator, or prosecutor who has jurisdiction over such activities. For example, if the IG finds Ohio’s Ethics Law was violated, it

refers the matter to the Ethics Commission for further action. The Inspector also reports its findings to the Governor. Finally, IG must publish an annual report by March of each year that summarizes the Inspector's activities for the previous year.

The Legislature created the Office of the Inspector General in 1990, but it was originally established by Executive Order 88-27, issued in 1988. Statutes relating to the office are set forth in Ohio Revised Code sections 121.41 - 121.50. Prior to FY 1994, the office was funded from the Office of the Governor's line item for operating expenses. Since then the IG has been an independent agency under ORC 121.48.

Funding Source: GRF

Implication of Recommendation: The governor's recommendation for the biennium is \$418,984 dollars less than the agency request. The IG will have to reallocate its resources if the agency is not granted the total requested amount. If the agency does not get the support for 2 new employees the agency may suffice with an increase of approximately \$50,000 for special investigations and an allocation of \$20,000 to equipment or purchased services.

PERMANENT AND TEMPORARY LAW

This section describes permanent and temporary law provisions contained in the executive budget that will affect the department's activities and spending decisions during the next biennium.

Permanent Law Provisions

There are no permanent law provisions

Temporary Law Provisions

Continuation of 4Z3 965-602, **Special Investigation (section 60 of the bill)**

The provision permits up to \$100,000 per year to be spent from this line item for investigation costs.

REQUESTS NOT FUNDED

Inspector General						
Fund Line Item	FY 2002 Requested	FY 2002 Recommended	Difference	FY 2003 Requested	FY 2003 Recommended	Difference
GRF 965-321	\$944,615	\$730,334	(\$214,281)	\$968,580	\$763,877	(\$204,703)

Regarding IG supplemental requests, the Governor's recommended funding level will not permit the IG to hire 2 additional full time employees, purchase additional office equipment for the new employees, replace a overloaded server, update hardware and software on office computers, provide training for certification of IG investigators, and replace the agency vehicle. IG FY 02 supplemental request was for \$213,775 and \$197,710 for FY 03. Supplemental total requests for the biennium equate to \$411,485. The governor's supplemental recommendation only provides for an amount totaling \$30,129, to cover raises and benefits for the 7 full time employees.

The two additional staff members were requested to help keep up with the volume of cases, give the assurance of continuing the agency goal of producing quality investigations, and would aid the agency in eliminating the backlog of case investigations that not been entered into the agency optical storage and retrieval unit.

Supplemental Requests:

Personnel: Two additional full-time employees were requested to allow the IG to keep up with an increased volume of caseloads and complex, specialized cases. Both positions are Administrative Assistants (step 1 and step 6).

Vehicle: Currently, the agency vehicle has 45,447 miles and accumulates approximately 10,000 miles each year.

Copier: A new copier was requested to allow IG to produce better quality copies, faster printing, and character recognition scanning (ability to scan documents and download to PC for modification).

Computers: IG currently operates with Pentium III 450mhz machines. New machines with upgraded processors would improve speed and effectiveness of agency initiatives. Additionally, current computers are in need of the latest version of Microsoft office, upgraded anti-virus software, and new investigative software.

Server: The agency server is a PII 200 MHZ machine with a 2 gig hard drive that is nearly full of data. The IG depends on this server to connect the agency to the state system, share files between local desktop computers, and communicate by means of e-mail and shared calendaring system.

LSC Budget Spreadsheet by Line Item, FY 2002 - FY 2003

<i>Fund ALI ALI Title</i>	<i>Revised Estimated 2001</i>	<i>As Introduced 2002</i>	<i>House Sub Bill 2002</i>	<i>% Change Est. 2001 to House 2002</i>	<i>As Introduced 2003</i>	<i>House Sub Bill 2003</i>	<i>% Change House 2002 to House 2003</i>
<i>IGO Inspector General</i>							
GRF 965-321 Operating Expenses	\$629,890	\$ 630,334	\$ 605,121	-3.9%	\$ 663,877	\$ 637,322	5.3%
General Revenue Fund Total	\$ 629,890	\$ 630,334	\$ 605,121	-3.9%	\$ 663,877	\$ 637,322	5.3%
4Z3 965-602 Special Investigations	\$100,000	\$ 100,000	\$ 100,000	0.0%	\$ 100,000	\$ 100,000	0.0%
General Services Fund Group Total	\$ 100,000	\$ 100,000	\$ 100,000	0.0%	\$ 100,000	\$ 100,000	0.0%
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<i>Total All Budget Fund Groups</i>	\$ 729,890	\$ 730,334	\$ 705,121	-3.4%	\$ 763,877	\$ 737,322	4.6%

General Revenue Fund

GRF 965-321 Operating Expenses

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$487,218	\$500,206	\$688,605	\$636,253	\$630,334	\$663,877
	2.7%	37.7%	-7.6%	-0.9%	5.3%

Source: GRF

Legal Basis: ORC 121.48 (established by Am. Sub. H.B. 117 of the 121st G.A. in 1994)

Purpose: To pay for personnel, maintenance, and equipment costs for the Office of the Inspector General. Prior to FY 1994, these expenses were funded from the budget of the Office of the Governor.

General Services Fund Group

4Z3 965-602 Special Investigations

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$0	\$0	\$74,357	\$100,000	\$100,000	\$100,000
	N/A	N/A	34.5%	0.0%	0.0%

Source: GSF: Controlling Board transfers from emergency purposes appropriations

Legal Basis: ORC 121.481 (established by H.B. 283 of the 123rd G.A.)

Purpose: To pay costs of investigations conducted by the Inspector General in the event of extraordinary investigative activity

As Introduced*

In House Finance and Appropriations

Temporary Law Changes

Subject: Special Investigations

Section: 60

ALI: 965-602

Permits the use of up to \$100,000 in each fiscal year of appropriation item 965-602, Special Investigations, for investigative costs, pursuant to section 121.481 of the Revised Code.

Section: 60

No change.