

Inspector General

House Transportation and Justice Subcommittee

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Legislative Service Commission*

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LSC Redbook

for the

Inspector General

House Transportation and Justice Subcommittee

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March 20, 2003

Note: The estimated General Revenue Fund (GRF) spending for FY 2003 used in this LSC Redbook reflects the 2.5% reduction made as a result of the Governor's January 22, 2003 budget cut order. The executive reduction was applied across-the-board to FY 2003 GRF appropriations, subject to certain exceptions. Subsequent to such reductions (and not reflected in the Redbook), state agencies were permitted to reallocate the amount that each of their GRF appropriation line items was reduced, while still absorbing the 2.5% budget cut within the total amount of their GRF appropriations.

Inspector General

- \$100,000 in each fiscal year set aside for special investigations
- Total biennium budget of \$1,496,975
- Inspector General 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.

Total recommended GRF funding for FY 2004 is increased 1.3% above FY 2003 estimates, and FY 2005 GRF funding levels are .08% above FY 2004 levels, representing a total GRF budget of \$1,296,975. The IG’s budget also includes \$100,000 in both FY 2004 and FY 2005 to be used for special investigations. The IG’s total recommended budget for the biennium is \$1,496,975.

ANALYSIS OF EXECUTIVE PROPOSAL

Inspector General

Program Description: The Office of the Inspector General (IG) investigates fraud, waste, abuse, and corruption within the executive branch of state government. In 2001, the IG reviewed 16 cases of wrongdoing, reviewed 329 complaints, and closed 66 cases. 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’s jurisdiction encompasses approximately 60,000 state officers and employees, yet 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. 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.

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.

Funding Source: GRF and \$100,000 each fiscal year from a Controlling Board transfer for special investigations

Line Items: The following table shows the line items that are used to fund the operations of the Inspector General’s office, as well as the Governor’s recommended funding levels for the biennium.

Fund	ALI	Title	FY 2004	FY 2005
GRF	965-321	Operating Expenses	\$645,966	\$651,009
4Z3	965-602	Special Investigations	\$100,000	\$100,000
Total funding: Inspector General			\$745,966	\$751,009

Implication of the Executive Recommendation: The executive recommendation for the biennium is \$1,496,975, whereas the IG requested \$1,710,553, representing a reduction of \$213,578. These reductions are experienced in the IG’s supplemental requests, which will not allow for hiring an additional Investigator and replacement of office equipment. The IG’s core budget levels were funded at requested levels, yet the IG reports that even at requested levels, current maintenance, equipment, and personnel needs may not adequately be funded.

ADDITIONAL FACTS AND FIGURES

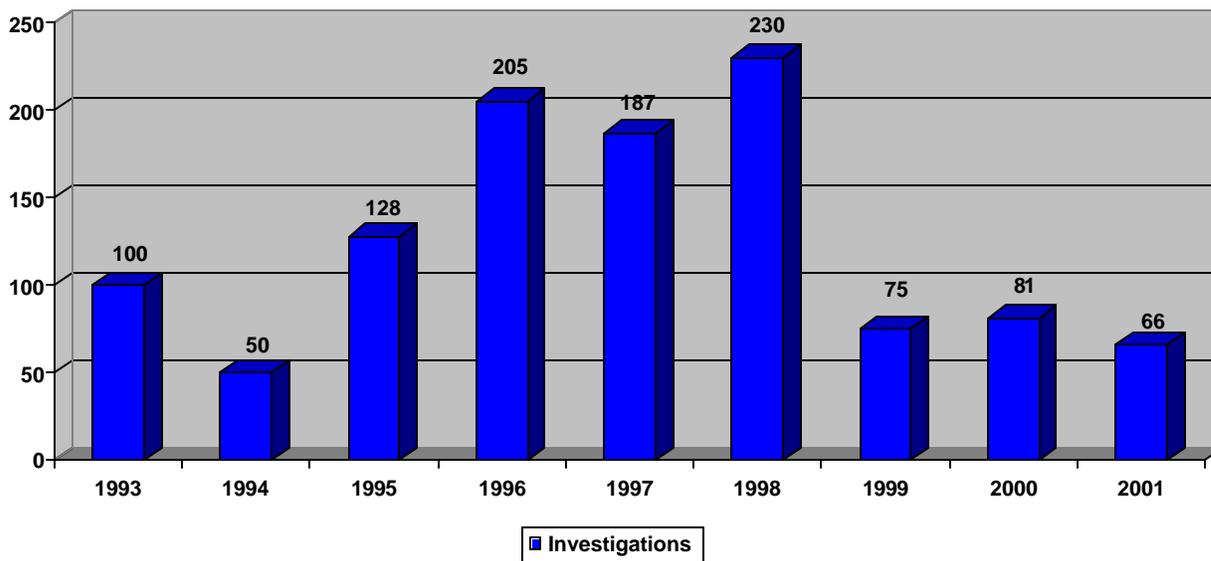
Staffing levels

Inspector General (IG) Staffing Levels							
						Estimated	
Inspector General	2000	2001	2002	2003	2004	2005	
Full-time personnel	7	7	7	7	7	7	
Totals	7	7	7*	7*	7	7	

Over the past one and one-half years, the IG contracted with one to five special investigators over a two year period to help with cases that involve special skills and expertise. Currently, the IG has three part-time investigators assisting the office.

Investigations - 1993 to 2001

The chart below displays the number of investigations the Inspector General’s office closed from 1993 to 2001.



Prior to 1999, there was a different Inspector General with different complaint handling procedures, a different computer tracking system, and a 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.

PERMANENT AND TEMPORARY LAW

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

Permanent Law Provisions

There are no permanent law provisions.

Temporary Law Provisions

Special Investigations

The provision permits up to \$100,000 per fiscal year to be spent from line item 965-602, Special Investigations for investigative costs.

REQUESTS NOT FUNDED

The following tables show supplemental requests by the Inspector General that are unfunded or partially funded in the Governor’s recommended budget. This information was gathered from the agency’s budget request and documentation provided by the Office of Budget and Management.

Supplemental Funding – Investigator Position						
Fund Line Item	FY 2004 Requested	FY 2004 Recommended	Difference	FY 2005 Requested	FY 2005 Recommended	Difference
GRF 965-321	\$79,588	\$6,243	\$73,345	\$77,189	\$4,782	\$72,407

Recommended funding for this supplemental request will not allow the Inspector General to hire another investigator. Without this position, the IG’s office may not be able to address new challenges, provide staff support for complex investigations, and conduct investigations in a timely manner.

Supplemental Funding – Copier						
Fund Line Item	FY 2004 Requested	FY 2004 Recommended	Difference	FY 2005 Requested	FY 2005 Recommended	Difference
GRF 965-321	\$0	\$0	\$0	\$20,000	\$0	\$20,000

Recommended funding for this supplemental request will not allow the Inspector General to replace their current copier.

Supplemental Funding – Computers						
Fund Line Item	FY 2004 Requested	FY 2004 Recommended	Difference	FY 2005 Requested	FY 2005 Recommended	Difference
GRF 965-321	\$0	\$0	\$0	\$20,000	\$0	\$20,000

Recommended funding for this supplemental request will not allow the Inspector General to replace current computers.

Supplemental Funding – Office furniture						
Fund Line Item	FY 2004 Requested	FY 2004 Recommended	Difference	FY 2005 Requested	FY 2005 Recommended	Difference
GRF 965-321	\$0	\$0	\$0	\$27,826	\$0	\$27,826

Recommended funding for this supplemental request will not allow the Inspector General to replace office furniture.

General Revenue Fund

GRF 965-321 Operating Expenses

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
\$688,605	\$602,977	\$564,068	\$637,571	\$645,966	\$651,009
	-12.4%	-6.5%	13.0%	1.3%	0.8%

Source: GRF

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

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

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
\$74,357	\$97,476	\$104,514	\$100,000	\$100,000	\$100,000
	31.1%	7.2%	-4.3%	0.0%	0.0%

Source: GSF: Controlling Board transfers from emergency purposes appropriations

Legal Basis: ORC 121.481 (established by Am. Sub 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

LSC Budget Spreadsheet by Line Item, FY 2004 - FY 2005

<i>Fund</i>	<i>ALI</i>	<i>ALI Title</i>	<i>2002</i>	<i>Estimated 2003</i>	<i>Executive 2004</i>	<i>% Change 2003 to 2004</i>	<i>Executive 2005</i>	<i>% Change 2004 to 2005</i>
<i>IGO Inspector General</i>								
GRF	965-321	Operating Expenses	\$ 564,068	\$637,571	\$ 645,966	1.3%	\$ 651,009	0.8%
General Revenue Fund Total			\$ 564,068	\$ 637,571	\$ 645,966	1.3%	\$ 651,009	0.8%
4Z3	965-602	Special Investigations	\$ 104,514	\$100,000	\$ 100,000	0.0%	\$ 100,000	0.0%
General Services Fund Group Total			\$ 104,514	\$ 100,000	\$ 100,000	0.0%	\$ 100,000	0.0%
<i>Total All Budget Fund Groups</i>			\$ 668,582	\$ 737,571	\$ 745,966	1.1%	\$ 751,009	0.7%