

Inspector General

House Transportation and Justice Subcommittee

*Terry Steele, Budget Analyst
Legislative Service Commission*

March 8, 2005

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LSC Redbook for the Inspector General

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March 8, 2005

Inspector General

- A maximum of \$100,000 per fiscal year is set aside for special investigations
- Total biennium budget of \$1,626,560
- 110 investigations completed from January 2003 to July 2004

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 in both FY 2006 and FY 2007 is \$763,280. This is the same level of funding as estimated FY 2005 spending. The IG’s budget also includes \$100,000 in both FY 2006 and FY 2007 to be used for special investigations, bringing the IG’s total recommended budget each fiscal year to \$863,280.

Summary of FYs 2006-2007 Budget Issues

The Inspector General's Office currently has one investigator on military leave. Due to this employee's military ranking, the IGO does not have to compensate this employee while on military leave. The IGO is using this temporary decrease in costs to absorb the 4% collective bargaining pay increase that will take effect in July. However, the IGO will need to cut costs in order to continue compensating the investigator once this person returns from military leave.

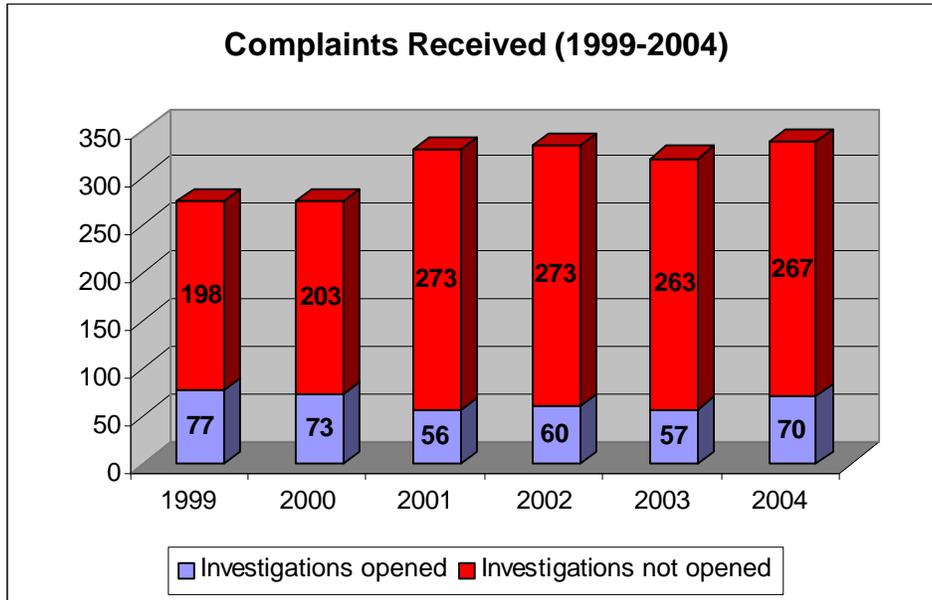
Staffing Levels

Inspector General's Office Staffing Levels						
Program Series/Division	2002	2003	2004	2005	Estimated	
					2006	2007
Investigations	7	7	7	7	9	9
Totals	7	7	7	7	9	9

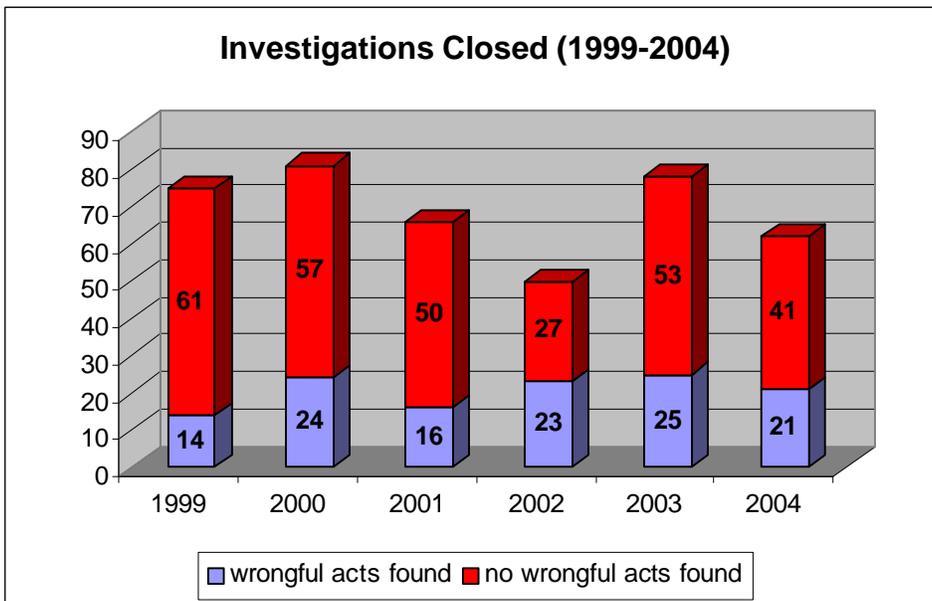
The IG has contracted with anywhere from one to five investigators to assist with cases involving special skills and expertise. The IG is currently authorized to have nine full-time employees and one part-time employee. These nine employees consist of four investigators, one legal counsel, a secretary, two administrative assistants, and the Inspector General. One of the four investigators is currently on military leave, and the IG has not yet filled the part-time position.

FACTS AND FIGURES

The chart below displays the total number of complaints received by the Inspector General's office from 1999 to 2004. The total number of complaints received was then broken down into those that resulted in opening an investigation, and those that were not.



The chart below displays the total number of investigations closed by the Inspector General's office from 1999 to 2004. This number was broken down into those investigations in which it was determined wrongful acts occurred, and those in which it was determined that no wrongful acts occurred.



ANALYSIS OF EXECUTIVE PROPOSAL

Investigations

Purpose: This program series investigates complaints of fraud, waste, and abuse in the executive branch of government.

The following table shows the line items that are used to fund the Investigations program series, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2006	FY 2007
General Revenue Fund				
GRF	965-321	Operating Expenses	\$763,280	\$763,280
4Z3	965-602	Special Investigations	\$100,000	\$100,000
General Revenue Fund Subtotal			\$863,280	\$863,280
Total Funding: Investigations			\$863,280	\$863,280

Program Description: This program extends to the Governor, the Governor's cabinet and staff, state agencies, departments, boards and commissions, state universities, and state medical colleges. Outside of the jurisdiction of the office are community colleges, the courts, the legislature, and the offices of the Secretary of State, Auditor, Treasurer, Attorney General, and their staff and employees.

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

Line Items: 965-321, Operating Expenses, and 965-602, Special Investigations

Implication of Executive Recommendation: The executive recommendation meets the request for funding issued by the Inspector General's office. This level of funding will not permit the IGO to fill the open part-time employee position. The funding will permit the office to maintain its levels of staffing and services.

Temporary and Permanent Law Provisions:

Special Investigations (Section 206.60). 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 Inspector General's budget request was fully funded at the requested level of \$863,280 in FYs 2006-2007. However, the IGO currently has one investigator that is currently on military leave. Once this staff person returns, the IGO may need to cut costs elsewhere in order to pay this individual's salary.

General Revenue Fund

GRF 965-321 Operating Expenses

2002	2003	2004	2005 Estimate	2006 Executive Proposal	2007 Executive Proposal
\$564,068	\$628,246	\$768,552	\$763,280	\$763,280	\$763,280
	11.4%	22.3%	-0.7%	0.0%	0.0%

Source: GRF

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

Purpose: Moneys appropriated to this line item pay for personnel, maintenance, and equipment costs for the Office of the Inspector General.

General Services Fund Group

4Z3 965-602 Special Investigations

2002	2003	2004	2005 Estimate	2006 Executive Proposal	2007 Executive Proposal
\$104,514	\$91,625	\$73,119	\$100,000	\$100,000	\$100,000
	-12.3%	-20.2%	36.8%	0.0%	0.0%

Source: GSF: Transfers from Controlling Board line item 911-401, Emergency Purposes/Contingencies

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

Purpose: Moneys in this account pay the costs of investigations conducted by the Office of the Inspector General in the event of extraordinary investigative activity.

LSC Budget Spreadsheet by Line Item, FY 2006 - FY 2007

<i>Fund</i>	<i>ALI</i>	<i>ALI Title</i>	<i>2004</i>	<i>Estimated 2005</i>	<i>Executive 2006</i>	<i>% Change 2005 to 2006</i>	<i>Executive 2007</i>	<i>% Change 2006 to 2007</i>
<i>IGO Inspector General</i>								
GRF	965-321	Operating Expenses	\$ 768,552	\$763,280	\$ 763,280	0.0%	\$ 763,280	0.0%
General Revenue Fund Total			\$ 768,552	\$ 763,280	\$ 763,280	0.0%	\$ 763,280	0.0%
4Z3	965-602	Special Investigations	\$ 73,119	\$100,000	\$ 100,000	0.0%	\$ 100,000	0.0%
General Services Fund Group Total			\$ 73,119	\$ 100,000	\$ 100,000	0.0%	\$ 100,000	0.0%
Total All Budget Fund Groups			\$ 841,671	\$ 863,280	\$ 863,280	0.0%	\$ 863,280	0.0%