

# **Inspector General**

**House Transportation and Justice Subcommittee**

*Terry Steele, Budget Analyst  
Legislative Service Commission*

*April 11, 2007*

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**LSC Redbook**  
**for the**  
**Inspector General**

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*April 11, 2007*

# Inspector General

- A maximum of \$375,000 per fiscal year is set aside for special investigations
- Total biennium budget of \$3,555,273
- An average of 60 investigations opened each year as a result of complaints

## OVERVIEW

The Office of Inspector General (IGO) 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 IGO investigation, 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.

## Budget Issues FYs 2008-2009

The executive recommendation for FY 2008 is \$1,742,372, a 6.8% decrease from FY 2007 spending levels. However, the FY 2007 spending amount included a one time \$500,000 appropriation for the investigation and prosecution of individuals involved with Ohio Bureau of Workers' Compensation (BWC) investment scandal. Setting this aside the FY 2008 recommendation is a 21% increase from estimated FY 2007 spending. The FY 2009 recommendation of \$1,812,901 is a 4% increase from FY 2008 recommendations.

IGO is currently coordinating the task force that is investigating the BWC, and has been involved in preparing for trials and civil litigation as a result of these investigations. The agency also is in possession of approximately one million scanned documents from these investigations that IGO must begin to redact, process, and prepare for public records requests. Another factor affecting IGO workload is an increase in computer related complaints. As a result, the office is planning on purchasing Encase, a computer analysis system. In the past, IGO used a computer forensics expert for this type of work. However, anticipating that this service may not be available in the future, the office is electing to purchase this program and train its current staff to do this work. The cost for the equipment and training is anticipated to be \$15,000.

Additionally, the Bureau of Workers' Compensation budget bill for FYs 2008-2009, H.B. 100 of the 127th General Assembly, creates the position of Deputy Inspector General. This position will be responsible for investigating all claims or cases of criminal violations, abuse of office, or misconduct on the part of employees of BWC or the Industrial Commission (IC). While the Deputy Inspector General would be considered an employee of IGO, all the costs incurred by the Deputy Inspector General, including salaries of that position and any other additional positions deemed necessary, would be the responsibility of BWC.

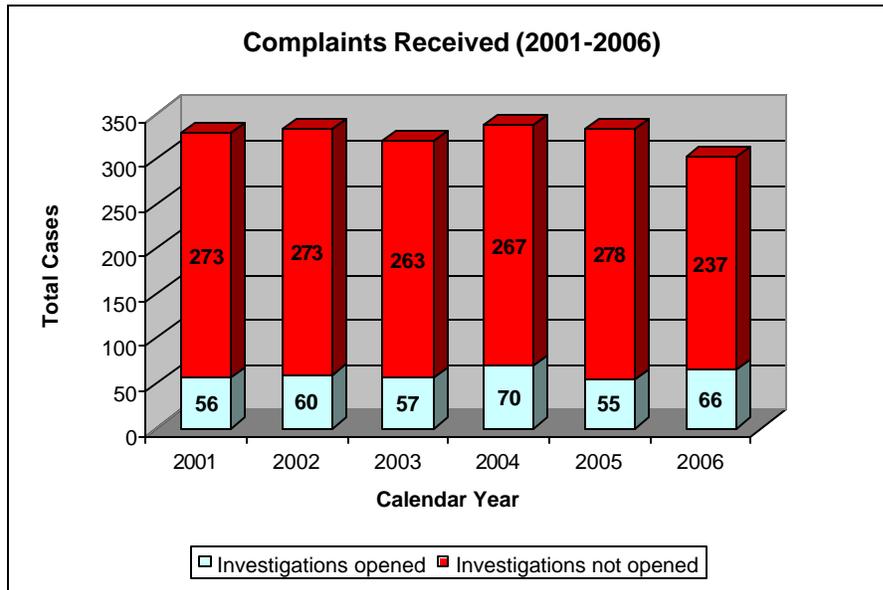
## Staffing Levels

Inspector General's Office Staffing Levels						
Program Series/Division	2004	2005	2006	2007	Estimated	
					2008	2009
Investigations	7	11	11	11	11	11
<b>Totals</b>	<b>7</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>

The IGO has contracted with anywhere from one to five investigators to assist with cases involving special skills and expertise.

## Facts and Figures

The chart below displays the total number of complaints received by the IGO's office from 2001 to 2006. The total number of complaints received was then broken down into those that resulted in opening an investigation, and those that were not. As the chart illustrates, the number of total complaints received and cases opened has remained relatively constant over the past three biennia.



## ANALYSIS OF EXECUTIVE PROPOSAL

### Single Program Series

### 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 2008	FY 2009
<b>General Revenue Fund</b>				
GRF	965-321	Operating Expenses	\$1,367,372	\$1,437,901
4Z3	965-602	Special Investigations	\$375,000	\$375,000
<b>Total Funding: Investigations</b>			<b>\$1,742,372</b>	<b>\$1,812,901</b>

**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 \$375,000 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 submitted by IGO. The funding will permit the office to maintain its levels of staffing and services. Additionally, while the position of Deputy Inspector General is funded by the Bureau of Workers' Compensation, the position resides within the Office of the Inspector General. Because this position is created within the BWC budget bill pending before the General Assembly, it is not yet decided how this position would be funded, either exclusively by IGO or BWC, or some combination of support from each agency. It is unknown at this time as to whether there will be any fiscal impact within the IGO due to the creation of this position.

### Temporary and Permanent Law Provisions

None

## **REQUESTS NOT FUNDED**

The Inspector General's budget request was fully funded at the requested levels of \$1,742,372 in FY 2008 and \$1,812,901 in FY 2009.

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## General Revenue Fund

### GRF 965-321 Operating Expenses

2004	2005	2006	2007 Estimate	2008 House Passed	2009 House Passed
\$768,552	\$746,718	\$1,298,810	\$1,269,085	\$0	\$0
	-2.8%	73.9%	-2.3%		

**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.

### GRF 965-403 BWC Investigation and Prosecution

2004	2005	2006	2007 Estimate	2008 House Passed	2009 House Passed
\$0	\$0	\$0	\$500,000	\$0	\$0
			N/A		

**Source:**

**Legal Basis:**

**Purpose:**

## General Services Fund Group

### 4Z3 965-602 Special Investigations

2004	2005	2006	2007 Estimate	2008 House Passed	2009 House Passed
\$73,119	\$100,158	\$63,284	\$100,000	\$0	\$0
	37.0%	-36.8%	58.0%		

**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 2008 - FY 2009

<i>Fund</i>	<i>ALI</i>	<i>ALI Title</i>	<i>2006</i>	<i>Estimated 2007</i>	<i>Executive 2008</i>	<i>% Change 2007 to 2008</i>	<i>Executive 2009</i>	<i>% Change 2008 to 2009</i>
<b><i>IGO Inspector General, Office of the</i></b>								
GRF	965-321	Operating Expenses	\$ 1,298,810	\$1,269,085	\$ 1,367,372	7.7%	\$ 1,437,901	5.2%
GRF	965-403	BWC Investigation and Prosecution	---	\$500,000	\$ 0	-100.0%	\$ 0	N/A
<b>General Revenue Fund Total</b>			<b>\$ 1,298,810</b>	<b>\$ 1,769,085</b>	<b>\$ 1,367,372</b>	<b>-22.7%</b>	<b>\$ 1,437,901</b>	<b>5.2%</b>
4Z3	965-602	Special Investigations	\$ 63,284	\$100,000	\$ 375,000	275.0%	\$ 375,000	0.0%
<b>General Services Fund Group Total</b>			<b>\$ 63,284</b>	<b>\$ 100,000</b>	<b>\$ 375,000</b>	<b>275.0%</b>	<b>\$ 375,000</b>	<b>0.0%</b>
<b><i>Total All Budget Fund Groups</i></b>			<b>\$ 1,362,094</b>	<b>\$ 1,869,085</b>	<b>\$ 1,742,372</b>	<b>-6.8%</b>	<b>\$ 1,812,901</b>	<b>4.0%</b>