

# Redbook

## LBO Analysis of Executive Budget Proposal

### Office of Inspector General

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#### TABLE OF CONTENTS

Quick look.....	1
Agency overview .....	2
Analysis of FY 2020-FY 2021 budget proposal.....	2
Overview .....	2
Summary of executive recommendations.....	2
Operating Expenses (ALI 965321) .....	2
Deputy Inspector General for ODOT (ALI 965603) .....	3
Deputy Inspector General for BWC/OIC (ALI 965604).....	4
Complaints and investigations .....	5

# LBO Redbook

## Office of Inspector General

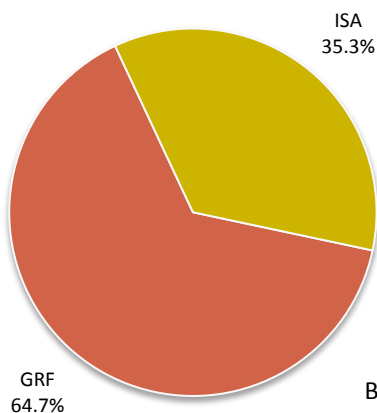
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### Quick look...

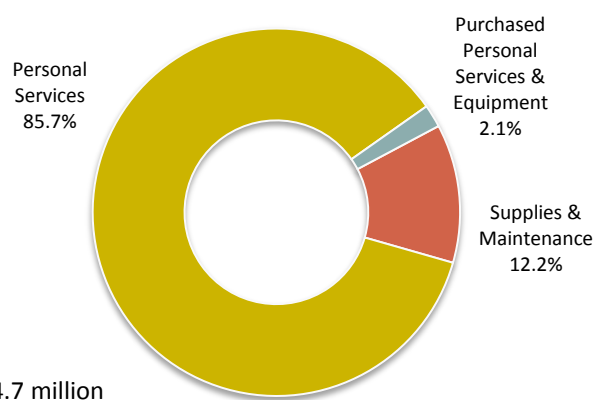
- The Inspector General’s Office (IGO) examines, investigates, and makes recommendations concerning alleged wrongful acts and omissions within the executive branch of state government.
- Total budget recommendations of \$2.3 million in both FY 2020 and FY 2021.
  - Revenue sources: GRF (65%) and state non-GRF (35%).
- Over 85% of the Office’s budget is allocated for personal services (wages, salaries, fringe benefits, and payroll checkoff charges).
- The Inspector General received and reviewed 650 complaints over CY 2017-CY 2018.

Fund Group	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
General Revenue (GRF)	\$1,329,305	\$1,401,581	\$1,512,881	\$1,509,581
Internal Service Activity (ISA)	\$847,388	\$796,000	\$825,000	\$825,000
<b>Total</b>	<b>\$2,176,693</b>	<b>\$2,197,581</b>	<b>\$2,337,881</b>	<b>\$2,334,581</b>
% change	--	1.0%	6.4%	-0.1%
<i>GRF % change</i>	--	5.4%	7.9%	-0.2%

**Chart 1: IGO Budget by Fund Group  
FY 2020-FY 2021 Biennium**



**Chart 2: IGO Budget by Expense Category  
FY 2020-FY 2021 Biennium**



## Agency overview

The Office of the Inspector General, created by executive order in 1988, investigates fraud, waste, abuse, corruption, and conflict of interest within the executive branch of state government and, as appropriate, issues a report with recommendations. The jurisdiction of the Inspector General includes the Governor (and staff), state agencies, departments, boards, commissions, and any other entities appointed, employed, controlled, directed, or subject to the authority of the Governor. Specifically excluded from the Inspector General’s jurisdiction are the Ohio General Assembly; Ohio courts; the offices of Secretary of State, Auditor, Treasurer, Attorney General, their staff and employees; and state community colleges.

The Inspector General employs a full-time staff of 17. This staff is generally organized into three areas or divisions: (1) Bureau of Workers’ Compensation, (2) Ohio Department of Transportation, and (3) General. The first two divisions include statutorily designated deputy inspectors general; the third investigates all other cases and handles daily operations.

## Analysis of FY 2020-FY 2021 budget proposal

### Overview

For the Inspector General, the executive budget recommends a total appropriation of \$2.3 million in each of FY 2020 and FY 2021. Chart 1 in the preceding “Quick look” section presents the executive recommendations by fund group. As shown, GRF accounts for 64.7% of the Inspector General’s biennial budget followed by state non-GRF (35.3%). Chart 2 in the “Quick look” section shows the total executive recommended biennial appropriation by object of expense. Approximately 85% of the total biennial appropriation recommendation, or \$4 million, is allocated for payroll costs, followed by supplies and maintenance (12.2%, or \$569,300), purchased personal services (1.9%, or \$89,000), and equipment (0.2%, or \$10,000).

### Summary of executive recommendations

This section provides a more detailed discussion of the appropriations that finance the Inspector General’s duties and responsibilities. The recommended FY 2018 and FY 2019 appropriations for the line items that will fund those duties and responsibilities are described in more detail below. Assuming that the number and complexity of the complaints filed and investigations initiated do not noticeably increase in the next biennium, the executive recommendations should be sufficient for the Inspector General to perform its statutorily required duties and responsibilities.

#### Operating Expenses (ALI 965321)

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
<b>GRF ALI 370321, Operating Expenses</b>					
\$1,328,623	\$1,245,925	\$1,329,305	\$1,401,581	\$1,512,881	\$1,509,581
% change	-6.2%	6.7%	5.4%	7.9%	-0.2%

This GRF line item pays for operating costs of the Inspector General’s General Division. This means costs not directly attributable to the work of the statutorily designated deputy inspectors general for Workers’ Compensation and Transportation.

Under the executive budget, each fiscal year’s appropriation generally is allocated as follows: 82%, or \$1.2 million, for personal services (wages, salaries, fringe benefits, and payroll checkoff charges), 15%, or about \$230,000, for supplies and maintenance, 3%, or roughly \$40,000 to \$50,000, for purchased personal services, and 0.3%, or \$5,000, for equipment.

A summary of the General Division’s complaint workload over the course of CY 2017 and CY 2018 appears in Table 1 below.

Action	CY 2017	CY 2018
Cases Opened	30	33
No Jurisdiction	124	70
Insufficient Cause	81	73
Referred	95	70
Pending	2	3
<b>Complaint Total</b>	<b>332</b>	<b>249</b>

### **Deputy Inspector General for ODOT (ALI 965603)**

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
<b>ISA 5FA0 ALI 965603, Deputy Inspector General for ODOT</b>					
\$379,681	\$406,661	\$386,112	\$388,500	\$400,000	\$400,000
% change	7.1%	-5.1%	0.6%	3.0%	0.0%

This line item pays for the operating expenses associated with the statutorily designated Deputy Inspector General for the Ohio Department of Transportation (ODOT). This Deputy Inspector General is responsible for: (1) investigating wrongful acts or omissions by ODOT employees and (2) conducting a program of random review of the processing of contracts associated with building and maintaining the state’s infrastructure.

The recommended appropriations for this purpose fully fund the Inspector General’s request of \$400,000 in each fiscal year, and will be supported by cash transfers totaling \$400,000 in each fiscal year from the Department of Transportation’s budget to the Deputy Inspector for the ODOT Fund (Fund 5FA0). Under the executive budget, each fiscal year’s appropriation generally is allocated as follows: 94%, or \$375,000, for personal services (wages, salaries, fringe benefits, and payroll checkoff charges), and the remaining 6%, or about \$25,000, for supplies and maintenance.

Note that the transfers, however, are authorized not in the main operating appropriations bill, but rather H.B. 62, the transportation and public safety budget bill for the FY 2020-FY 2021 biennium. Section 203.60 of that bill requires the Director of the Office of Budget and Management (OBM) to make transfers, on January 1 and July 1 of each year, from the Highway Operating Fund (Fund 7002) to the Deputy Inspector General for the ODOT Fund (Fund 5FA0). If additional amounts are needed, the Inspector General is permitted, with the consent of the Director of OBM, to request Controlling Board approval for additional cash transfers and to increase the appropriation. The appropriation for this purpose has remained at \$400,000 annually since Fund 5FA0 was created in 2007.

A summary of the Deputy Inspector General for ODOT's complaint workload over the course of CY 2017 and CY 2018 appears in Table 2 below.

Action	CY 2017	CY 2018
Cases Opened	7	7
No Jurisdiction	0	0
Insufficient Cause	3	1
Referred	3	1
Pending	0	0
<b>Complaint Total</b>	<b>13</b>	<b>9</b>

### **Deputy Inspector General for BWC/OIC (ALI 965604)**

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
<b>ISA 5FT0 ALI 965604, Deputy Inspector General for BWC/OIC</b>					
\$414,969	\$421,501	\$403,047	\$407,500	\$425,000	\$425,000
% change	1.6%	-4.4%	1.1%	4.3%	0.0%

This line item pays for the operating expenses associated with the statutorily designated Deputy Inspector General for the Bureau of Workers' Compensation (BWC) and the Ohio Industrial Commission (OIC). This Deputy Inspector General is responsible for investigating wrongful acts or omissions that have been committed by, or are being committed by, officers or employees of BWC or OIC.

The recommended appropriation for this purpose fully funds the Inspector General's request of \$425,000 in each fiscal year. Under the executive budget, each fiscal year's appropriation generally is allocated as follows: 92%, or \$392,500, for personal services (wages, salaries, fringe benefits, and payroll checkoff charges), and the remaining 8%, or \$32,500, for supplies and maintenance.

This appropriation is supported by a temporary law provision that requires the Director of OBM to transfer \$425,000 annually from the Workers' Compensation Fund (Fund 7023) to the Deputy Inspector General for the Bureau of Workers' Compensation and Industrial Commission Fund (Fund 5FT0). If additional amounts are needed, the Inspector General is permitted to request Controlling Board approval for additional cash transfers. That provision is in Section 2 of H.B. 80, the workers' compensation budget bill for the FY 2020-FY 2021 biennium.

A summary of the Deputy Inspector General for BWC and OIC's complaint workload over the course of CY 2017 and CY 2018 appears in Table 3 below.

<b>Action</b>	<b>CY 2017</b>	<b>CY 2018</b>
Cases Opened	11	11
No Jurisdiction	0	0
Insufficient Cause	5	13
Referred	8	4
Pending	0	1
<b>Complaint Total</b>	<b>24</b>	<b>29</b>

## Complaints and investigations

An investigation is typically triggered by the filing of a complaint, which could come via a telephone call, facsimile, mail, or email. Complaints are filed by private citizens, public employees, or public agencies or officials.

Complaints received are reviewed by the Inspector General's intake committee which first determines whether the complaint falls within the jurisdiction of the Inspector General. The intake committee then considers whether the complaint offers credible allegations of wrongful acts or omissions on the part of a state officer, agency, employee, or contractor. If the allegations in the complaint are considered credible, an investigation of the complaint is opened. In instances where a complaint is unsubstantiated, the Inspector General lacks jurisdiction, or another agency is better suited to address a complainant's issues, the Office will direct the complainant to a more appropriate agency, organization, or resource.

At the conclusion of an investigation, the Inspector General issues a report of the investigation which may contain recommendations to prevent future wrongful acts and omissions and may include referrals to prosecuting authorities or licensing agencies. The report is provided to the Governor and the agency subject to investigation.

Chart 3 below displays investigation statistics from CY 2011 through CY 2018. The total number of investigations is broken down into two categories: (1) the total number of complaints received and (2) the number of complaints in which an investigation was opened

after the determination that the complaint offers credible allegations and falls within jurisdiction.

Chart 3: Investigation Activity, CY 2011-CY 2018

