



STATE OF OHIO
OFFICE OF THE INSPECTOR GENERAL
RANDALL J. MEYER, INSPECTOR GENERAL

**2012-2013 Biennium Budget Testimony
Before the Ohio Senate
Senate Finance Committee
May 5, 2011, 9:00 a.m.
Presented by Randall J. Meyer, Inspector General**

Good morning Chairman Widener, Ranking Member Skindell, and Distinguished Members of the Finance Committee. My name is Randall Meyer and I am the Inspector General for the State of Ohio. I appreciate the opportunity to speak to you today regarding the Office of the Inspector General's budget request for fiscal years 2012 and 2013.

Office Overview

We are authorized by law to investigate alleged wrongful acts or omissions committed by state officers, employees or individuals who do business with the state. Investigations may result from complaints received by the Office, or are opened through the Office's own initiative.

The jurisdiction of the Inspector General is limited to the executive branch of state government. It extends to the Governor, the governor's cabinet and staff, state agencies, departments, boards and commissions. Our jurisdiction also includes state universities and state medical colleges. All combined the Inspector General has jurisdiction over ninety-six percent of all State of Ohio employees.

The Office received a total of 456 complaints in 2010, a six percent increase over the year before. This represents the largest number of complaints ever filed with the Inspector General's Office. From 1999 through 2010, more than 4,100 complaints were reviewed.

In order to effectively investigate matters delegated to this Office by the General Assembly, the Office of the Inspector General is organized into five divisions. Three divisions are each staffed by a separate Deputy Inspector General to carry out the mandate of the General Assembly. These mandates require a Deputy Inspector General for the Department of Transportation, for the Bureau of Workers' Compensation and Industrial Commission, and for funds received through the American Recovery and Reinvestment Act of 2009. The General Division is tasked with investigating all other cases and to provide assistance for cases in the other three divisions. The Investigative Support Division provides administrative and analytical functions necessary to the Office.

Budget Request

Portions of our budget are appropriated through the Ohio Department of Transportation and the Bureau of Workers' Compensation budgets. I would like to take this opportunity to discuss the portion of the budget that is included in HB 153.

American Recovery and Reinvestment Act of 2009 (ARRA). The Deputy Inspector General for the American Recovery and Reinvestment Act of 2009 is required to monitor state agencies' distribution of ARRA funds received from the federal government and to investigate all wrongful acts or omissions committed by officers, employees, or contractors with relevant state agencies that have received monies from the federal government under the Act. Currently we have two teams of Deputy Inspectors General visiting each of the 23 agencies under our jurisdiction who received ARRA funds. These teams are performing risk assessments on each program to determine if a more thorough review is warranted.

I want to emphasize the ARRA Deputy Inspector General designee has a very intense and time-sensitive assignment. The General Assembly has rightfully ordered the Office of Inspector General to monitor relevant state agencies' distributions of these funds, so we are now on the ground in many agencies and reviewing those programs where we believe the State is most at risk of losing these monies through theft, fraud, waste or abuse.

Allow me to also express my concern that our authority regarding American Recovery and Reinvestment Act funding ends September, 2013, but there are some programs – such as the State Broadband Data and Development Grant Program overseen by the Department of Administrative Services – that do not end until December 2014. Federal Inspector General Offices are now recognizing the obvious need to extend funding past program end dates to assist with monitoring efforts.

Based on our experience and research provided by the Association of Certified Fraud Examiners, fraud schemes typically are not uncovered for 18-24 months after they occur, therefore, I am requesting the continuation of these duties and the resulting appropriation authority past the September 2013 deadline. While our work related to ARRA programs will be increasing over the next few months, the Office's request for funding has decreased 13% over the fiscal year 2011 allotment.

Casino Control Commission. The General Assembly has tasked the Inspector General's Office with new duties related to the Ohio Casino Control Commission. Included in HB 114, the Office is to receive funding in fiscal years 2011 and 2012. The funds will be used for initial operating costs and investigations.

We ask that future consideration be given to creating permanent language that allows for a Deputy Inspector General designee and an allocation of funds received by the Casino Control Commission to fund our oversight efforts.

Overall our budget request represents a 6 percent decrease over fiscal year 2011. The Office currently has 19 employees and has 2 vacant positions with one reserved for duties related to the Casino Control Commission.

Conclusion

In conclusion Mr. Chairman, respected members of the committee, we recognize that the majority of state employees and public officials are hardworking, honest, and trustworthy individuals. However, we also believe that the responsibilities the General Assembly has tasked this Office with are critical in ensuring that our state government and those doing or seeking to do business with the State of Ohio conduct themselves ethically, perform their duties with integrity, and act with the highest of standards.

As an independent state agency, the Office is committed to investigating allegations of wrongful acts or omissions without bias or outside influence. It is paramount that the investigations are conducted in a timely, thorough, and impartial manner. Our Office will continue to work closely with other law enforcement, state and national agencies to detect fraud, waste, and abuse.

The Office of the Inspector General remains dedicated to the principle that no public servant, regardless of rank or position, is above the law, and the strength of our government is built on the solid character of the individuals who hold the public trust.

Respected members of the committee, I would like to thank you for the opportunity to testify today. My staff and I will be pleased to answer any questions that you may have.

