



STATE OF OHIO

OFFICE OF THE INSPECTOR GENERAL

RANDALL J. MEYER, INSPECTOR GENERAL

**2018-2019 Biennium Budget Testimony
Before the Ohio House of Representatives
State Government and Agency Review Subcommittee
March 1, 2017
Presented by Randall J. Meyer, Inspector General**

Good morning Chairman Faber, Ranking Member Patterson, and Distinguished Members of the 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 2018 and 2019.

Office Overview

My office is 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.

Since 2011 my office has received over 2,400 complaints; opened 515 investigations and closed 512. Additionally, we have identified a total loss of approximately \$267 million in over 50 cases during the same time period.

One of the more noteworthy cases released by my office involved the Ohio Department of Taxation. The investigation revealed \$294 million in overpayments that were potentially owed to business that had paid various taxes to the Department. Ultimately, the investigation resulted in millions of refunds paid to these taxpayers and through recommendations made by our office a bipartisan bill being introduced in the legislature that passed unanimously. The change in the law allows the Department of Taxation to take a more proactive approach in processing credits owed to taxpayers.

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 that is included in the main operating budget.

I applaud the committee's efforts to find opportunities for efficiency and effectiveness which I have also worked hard to do since taking office in 2011. Past budget reductions have continuously forced our agency to find efficiencies in the work flow and the management of the investigative process. In 2012 we implemented an electronic case-management system which allows us to easily move cases from the intake process, through a complete and thorough investigation, to the final completion of a report of investigation and to allocate resources effectively and efficiently.

We have met, and will continue to meet this challenge in the coming years. During the preparation of our budget, it was noted the costs for agency "chargebacks" is projected to increase significantly. These chargebacks are paid via payroll charges and reflect services provided by the Ohio Department of Administrative Services and OAKS. A review of these expenditures found that even though office staff has decreased over the last five years, these payroll charges have increased. For the upcoming biennium, agency chargebacks included in our payroll estimates are projected to increase 25 percent between fiscal years 2017 and 2018; and another 4 percent between fiscal year 2018 and 2019. These costs are in addition to the expected increase of 13 percent for health insurance related costs.

To ensure my office is able to meet these required expenditures, we have looked for efficiencies in other areas of the office. We currently have a staff of 17 which is down 26 percent from when I first took office. Additionally, since late 2015, my office has operated without a First Assistant Deputy Inspector General whose duties have been handled by myself and my Chief Legal Counsel. In preparing our budget for the next biennium, we have made the decision to not fund this position so as to stay within the current budget constraints. The budget request before you allows my office to operate at its current capacity.

Conclusion

In conclusion 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.