



STATE OF OHIO
OFFICE OF THE INSPECTOR GENERAL

RANDALL J. MEYER, INSPECTOR GENERAL

**2020-2021 Biennium Budget Testimony
Before the Ohio Senate
General Government and Agency Review Committee
May 1, 2019
Presented by Randall J. Meyer, Inspector General**

Good morning Chairman Schuring, Vice Chairman Rulli, Ranking Member O'Brien, and Distinguished Members of the Committee. My name is Randall Meyer and I am the Inspector General for the state of Ohio. I appreciate this opportunity to speak to you regarding the Inspector General office's budget for fiscal years 2020 and 2021.

Office Overview

As you know, the Inspector General's office is authorized by statute to investigate alleged wrongful acts or omissions committed by state officers, employees, and vendors. The office's jurisdiction extends to the Governor and his staff; all state agencies, departments, boards, and commissions; state universities and state medical colleges; and any other entities subject to the authority of the Governor. Over ninety-six percent of all state of Ohio employees are under the investigative jurisdiction of the office. Though the mission of the Inspector General's office has remained the same for 30 years, I continue to tackle the challenges and unforeseen hurdles inherent with such a critical responsibility.

During my eight years as Inspector General, the office's operational methods and practices have continually evolved and increasingly improved. I have instituted many procedural changes and incorporated the use of innovative tools to improve the office's overall investigative practices. I have also assembled a diverse, experienced staff of auditors, forensic experts, criminal analysts, attorneys, and former law enforcement officers to support my objective of utilizing a team approach in conducting investigations. This collaborative effort is essential to effectively combat the ever-changing landscape of public corruption. Since 2011, my office has released over 600 reports of investigation, issued more than 900 recommendations to agencies, and identified a quantifiable loss of over \$280 million to the state of Ohio. The important work produced by my office has had a constructive, meaningful impact on the state of Ohio.

With a small staff funded by a nominal budget, my office has conducted notable investigations that have generated significant returns. For example, I recently released a series of investigations examining the state of Ohio's IT procurement processes concerning the hiring of IT contractors and consultants using state term schedule contracts. The Ohio Department of Administrative Services, Office of Information Technology spends millions of dollars on these IT contracts each year, often paying more than \$200 per hour for a single person. Many of these IT contracts were routinely awarded without a competitive procurement process to the same vendors and individuals year after year. Our investigations found evidence that the state's procurement practices did not align with established policies that afford fair and equitable opportunities for vendors. We also discovered vendors and state employees who blatantly disregarded policies, deliberately circumvented purchasing protocols, and repeatedly engaged in unethical acts. In one particularly egregious case, my staff identified the awarding of over \$450,000 to IT contractors as a result of contract steering. For these reasons, my office recommended that the Ohio Department of Administrative Services consider debarring the vendors who were subjects of these investigations. Over the last four months, the Ohio Department of Administrative Services debarred six vendors from conducting business with the state of Ohio. This was the first time the Ohio Department of Administrative Services utilized its debarment authority.

In addition, my office forwarded the results of four recent investigations that identified wrongdoing to Ohio Auditor of State Faber. Our office routinely coordinates efforts with other state agencies, law enforcement officials, and government entities when conducting its investigations. Following the Auditor's review, a finding for recovery for public money illegally expended and/or for public property converted or misappropriated was issued for each case, totaling over \$1.6 million. It is this type of coordinated effort that deters fraud and increases accountability of taxpayer dollars.

Budget Request

The Inspector General's office receives funding from three different revenue sources: the General Revenue Fund and two transfers from, *respectively*, the Ohio Department of Transportation (*pursuant to Ohio Revised Code §121.51*), and the Ohio Bureau of Workers' Compensation and Industrial Commission (*pursuant to Ohio Revised Code §121.52*). Aside from the 2016 budget increase which was provided to negate the newly implemented cost of rent charged to agencies, the office's current appropriation level from the General Revenue Fund has remained essentially flat when compared to fiscal year 2011. Additionally, the actual fund amounts transferred from the Ohio Department of Transportation and the Ohio Bureau of Workers' Compensation and Industrial Commission has remained the same since 2007 ... the year the two funds were first established.

I applaud the committee's efforts to seek fiscal efficiency and maximize value in the use of state of Ohio funds ... efforts I, myself, have sought since taking office in 2011. Over 80 percent of my office's budget is related to payroll costs. Though my office's overall staffing level has remained flat for the last six years, continual increases in employee benefit expenditures have had a notable impact on the office's budget. In general, these

expenditures average almost 30 percent of payroll expenses and have increased each fiscal year.

To date, the office's approved staffing level is 17 full-time employees, down from 23 full-time employees who had worked at the office at the time of my appointment. Two unexpected staff resignations occurred in FY18, reducing my office's staff to 15 full-time employees. Should my office's level of appropriation remain flat, I would only be able to support 16 full-time positions in fiscal years 2020 and 2021. A decrease in staff levels would further impact my ability to open new investigations and complete investigations in a timely manner. I believe, at the very minimum, my ability to retain a staff level of 17 full-time employees is critical in executing the office's statutorily defined responsibilities. Therefore, the funding recommendation specified in the executive budget would allow my office to continue to support 17 full-time employees for fiscal years 2020 and 2021.

Conclusion

In conclusion, I am committed to enhancing the accountability and transparency of state government operations. The Inspector General's office is dedicated to investigating allegations of wrongdoing without bias or outside influence. For each report of investigation that identifies misconduct, fraud, waste, and abuse, our office finds new means to combat malfeasance, innovative methods to increase public trust, and meaningful recommendations to improve and expand current best practices and processes.

I believe most state employees and public officials are hardworking, honest, and trustworthy individuals. The responsibilities that the General Assembly and Governor have tasked me and my staff are critical in ensuring state of Ohio officials, employees, and those doing business with the state conduct themselves ethically and perform their duties with integrity and with the highest of standards. The foundation of our government is built on the solid character of those people who hold the public trust.

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