



**House Government Oversight Committee
Auditor of State Keith Faber
Senate Bill 91
December 5th, 2023**

Chair Peterson, Vice-Chair Thomas, Ranking Member Humphrey, and members of the committee, thank you for the opportunity to testify in support of Senate Bill 91. Having previously served in the legislature, I appreciate the opportunity to stand on this side of the podium and talk about the good work that we are doing in the auditor's office.

Over the past four years, my administration has made it a priority to improve key areas of our operations, especially those units that root out fraud, waste, and abuse. Our Special Investigations Unit is one such group and they lead our efforts in exposing fraud and corruption where it exists in government.

SIU is an investigative team that reviews allegations received by our office through resources such as Ohio's 1-866-FRAUD-OH hotline. The unit brings together the disciplines of forensic accounting and fraud investigation, along with attorneys who have expertise in fraud and white-collar criminal prosecution.

Our team is particularly good at what they do. Over the course of my time as Auditor, the Special Investigations Unit has overseen 117 convictions of individuals lying, cheating, or stealing with regard to taxpayer dollars. Those convictions have led to \$5 million in restitution paid and more than \$18.3 million in findings-for-recovery.

Senate Bill 91 will further these anti-fraud efforts by expanding the nature of public official accountability when it comes to corruption and bad acts.

First, we think it is important that public employees and elected officials be required to immediately report instances where they suspect fraud, theft in office, or the misuse or misappropriation of public money.

Employees and elected officials must report this information during an entity's regular financial audit. However, those engagements happen every one-to-two years and our office needs to know about such instances as soon as possible. Simply put, the sooner we are aware of potential wrongdoing, the quicker we can act and the more likely we are to recover those lost resources.

Senate Bill 91 addresses this problem by creating a class of mandatory reporters who must report these crimes when they become aware of such instances. Mandatory reporters include elected officials, appointed officials, public employees with fiduciary or supervisory duty, and those who are employed in a department responsible for processing any expenses of the public office. Individuals in these categories are most likely to encounter the situations that we are trying to

address and this change will greatly improve our ability to address such instances in a more timely manner.

It is also important that all public employees and elected officials are trained on how to detect and report fraud. We believe that this training can be accomplished in a five-to-ten-minute video shown to everyone during their on-boarding process and then repeated once every four years. The intent of this requirement is to help inform people of where to go and the ways to report when they see something that is amiss. It is as simple as this: when you see something, say something, and then let our trained investigators take the lead.

I am happy to report that Senate Bill 91's training language was included in the enacted state budget and my office is currently designing the program. For that reason, it has been removed from the current version of this legislation.

In conclusion, the solutions to these issues are rarely easy to come by and those with larceny in their hearts are likely to find a way to steal. As you can see from some of the creative ways that we identified in the case studies in your materials, criminals can be very inventive when they are trying to get other peoples' money. The reality is, though, that almost everybody gets caught. We want to catch these problems earlier and we want to make it more difficult for individuals to commit these crimes in the first place.

I want to thank Senator Schaffer and his staff, as well as the other proponents for their partnership on this legislation. It has truly been a collaborative effort and their input has been vital to improving this bill.

Thank you to the committee for the opportunity to testify in support of Senate Bill 91 and I am happy to answer any questions.