

**SENATE APPROPRIATIONS COMMITTEE  
FISCAL NOTE**

**BILL NO.** Senate Bill 527

**PRINTER NO.** 911

**AMOUNT**

No Fiscal Impact

**FUND**

General Fund

**DATE INTRODUCED**

March 20, 2107

**PRIME SPONSOR**

Senator Aument

**DESCRIPTION AND PURPOSE OF BILL**

Senate Bill 527 establishes a new Article V-A (Office of State Inspector General) of the Administrative Code to statutorily authorize the Office of Inspector General, provide for the appointment of the Inspector General and provide for the powers and duties of the office.

Provides for the Inspector General to be appointed by the Governor within 90 days of the effective date of the act and for the individual to serve concurrently with the Governor's term in office. Prohibits the Inspector General from seeking election or accepting an appointment to a political office during his or her tenure. Provides that the Inspector General shall be selected without regard to political affiliation and includes qualifications for selection as Inspector General. Provides that the Inspector General may be removed by the Governor for cause.

Provides for the Inspector General to have the following powers and duties: (1) Make an investigation and report relating to the administration of a program and operation of an executive agency. If the Inspector General determines that a report is necessary, he may consult with the Office of General Counsel or the Attorney General before issuing the report to insure against an adverse impact on a grand jury proceeding or prosecution being conducted by a law enforcement agency; (2) Request information or assistance necessary for carrying out the duties and responsibilities under this article from other Federal, state and local agencies; (3) Require and obtain, by written notice from an officer and employee of an executive agency, information, documents, reports, answers, records, accounts, papers and other necessary data and documentary evidence; (4) Have direct and prompt access to executive agency heads for a purpose pertaining to the performance of functions and responsibilities under this article; (5) Select, appoint and employ individuals necessary for carrying out the functions, powers and duties of the office; (6) The officers and employees must be employed in accordance with current procedures of the Office of Administration and may be assigned by the Inspector General to a designated executive agency; (7) Inspect, evaluate, investigate and review the activities, records and individuals with contracts, procurements, grants, agreements undertaken by an executive agency to identify fraud, waste, misconduct or abuse;

# SENATE APPROPRIATIONS COMMITTEE

## FISCAL NOTE

(8) Conduct civil and administrative investigations of an executive agency; (9) Make referrals to the Auditor General to audit the economy, efficiency and effectiveness of an executive agency's compliance with the performance measurement system; (10) Review the reliability and validity of the information from an executive agency's performance measures and standards; (11) Provide information and evidence that relates to criminal acts discovered during the course of an investigation to appropriate law enforcement officials; (12) Receive and investigate complaints; (13) Engage in prevention activities; (14) Refer matters for further civil, criminal and administrative action to appropriate administrative and prosecutorial agencies; (15) Conduct joint investigations and projects with other oversight or law enforcement agencies that are consistent with their powers and duties under this act; (16) Recommend remedial actions; (17) Issue public reports; (18) Maintain information regarding the cost of investigations; (19) Issue subpoenas relating to matters pertinent to an investigation; and, (20) Investigate and file criminal charges for violations of the Human Service Code, 18 PA.C.S Section 7313 (Relating to Buying or Exchanging Federal Food Order Coupons, Stamps, Authorization Cards or Access Devices) and 18 PA.C.S Section 7313 (Relating to Fraudulent Traffic in Food Orders).

Provides that the purpose of the Office of Inspector is to do the following: (1) Deter, detect, prevent and eradicate fraud, waste, misconduct and abuse in a program, operation and contracting of an executive agency; (2) Keep the head of an executive agency and the Governor fully informed about a problem and deficiency relating to the operation or administration of a program or contracts entered into by an executive agency; and, (3) Provide leadership, coordination and control over satellite Inspector General Offices in a designated executive agency to ensure a coordinated and efficient administration of duties and use of staff.

Requires the Inspector General to issue an annual report to the Senate and the House of Representatives that includes various information concerning the Office and its investigations.

Specifies that the appropriation for the Office of Inspector General is to be a separate line item under the jurisdiction of the Inspector General.

The legislation is scheduled to take effect in 60 days.

### **FISCAL IMPACT:**

The 2016-17 General Fund Budget included \$16,602,000 for the operations of the Office of Inspector General in two separate appropriations under the Executive Offices: an amount of \$4,334,000 in the line item entitled Office of Inspector General and \$12,268,000 in the line item entitled Inspector General – Welfare Fraud.

# **SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE**

Senate Bill 527 statutorily authorizes the Office of Inspector General and provides that the powers and duties and purpose of the Office of Inspector General are markedly similar to present practice in the Office of Inspector General and therefore will have no adverse fiscal impact on Commonwealth funds.

It is possible that a newly appointed Independent Inspector General may seek to expand the scope and amount of investigative actions requiring additional investigative personal, auditors and legal staff. Funding to provide the independent Office Inspector General with additional resources to guard against malfeasance will be dependent upon appropriations made by the General Assembly through the annual appropriations process.