



Ohio Legislative Service Commission

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Fiscal Note & Local Impact Statement

Bill: [Am. S.B. 7 of the 128th G.A.](#) **Date:** December 14, 2009

Status: As Passed by the Senate **Sponsor:** Sen. Wagoner

Local Impact Statement Procedure Required: No — No local cost

Contents: Requires the Auditor of State to establish a fraud-reporting system for filing anonymous complaints of fraud and misuse of public funds by public offices

State Fiscal Highlights

- As the Auditor of State's Special Investigations Unit (SIU) already offers an anonymous web-based fraud-reporting mechanism and allows the public to telephone or mail in tips about alleged fraud, this aspect of the bill is likely to cause no new direct fiscal effect. It is also unlikely that state agencies would incur new costs for making the state employee notifications required in the bill.

Local Fiscal Highlights

- No direct fiscal effect on political subdivisions.

Detailed Fiscal Analysis

Overview

The bill requires the Auditor of State to establish and maintain a system for the reporting of fraud, including misuse and misappropriation of public money, by any public office or public official. The system is to allow Ohio residents and the employees of any public office to make anonymous complaints through a toll-free telephone number, the Auditor of State's web site, or the United States mail. The bill also requires any public office to provide information about the Ohio fraud-reporting system and the means of reporting fraud to each *new* employee upon employment with the public office and make *all current* employees aware of this system on the effective date of this bill. Overall, as it relates to the fraud-reporting system, the bill appears to codify the Auditor of State's existing practice. It is possible, but unlikely, that there would be some negligible costs for requiring state and public employers to inform their employees of this fraud-reporting mechanism.

Background on Auditor of State's fraud-reporting system

There would likely be little or no new cost for requiring the Auditor of State to maintain a fraud-reporting system described in the bill, as the Auditor's office already provides a web-based fraud-reporting link called the Auditor's Uniform Deceptive Incident System (AUDITS). Reports can be anonymous if desired. In addition, two Auditor of State employees are responsible for answering a telephone tip line during regular business hours. According to the Auditor's office, these employees would handle any additional calls resulting from the bill. Because these reporting systems already exist, any new costs that the Auditor of State would incur, if any at all, would be for maintenance or system refinements.