



**HOUSE APPROPRIATIONS COMMITTEE**

**House Bill 756**

**Office of Legislative Audits – Acceptance and Investigation of Allegations of Fraud, Waste,  
and Abuse**

**February 17, 2021**

**Unfavorable Report**

Chair McIntosh, Vice Chair Chang and members of the committee, thank you for the opportunity to share our thoughts regarding House Bill 756. The bill expands the authority of the Office of Legislative Audits (OLA) to compel by subpoena certain records and the coordinate investigations in relation to acts or allegations of fraud, waste, or abuse.

House Bill 756 states that OLA shall have access to records/information, including those protected by law. University System of Maryland (USM) institutions have gifts, grants and contracts that would be ineligible to obtain if confidentiality is not ensured. USM institutions also hold information that is protected under HIPPA and FERPA laws. House Bill 756 simply places USM employees in a conflicted position as they would not be able to comply with conflicting laws. Additionally, the bill does not provide any guidance ethical or otherwise as to OLA responsibility in requesting such information.

The second concern pertains to the bill's language that OLA have the power to subpoena. The language does not provide any guidelines or standards that OLA must follow to ensure that this power is used judiciously and sparingly. Prosecuting arms such as the OAG and State Prosecutors currently serve this function, and they must follow professional and legal standards to issue subpoenas. Granting an organization the right to subpoena without careful oversight may itself open the door to overzealous intention.

Lastly, the bill's language that agencies report any instance of possible criminal or unethical conduct is redundant and needs clearer ethical standards. Agencies are already required to report criminal activity to the Office of the Attorney General (OAG) and the Governor's Office. Violations of Maryland's State Ethics laws are required to be reported to Maryland's State Ethics Commission. This information is also provided to OLA upon their request when they are conducting their fiscal compliance audits.

In general, granting OLA the right to conduct criminal or other investigations without clear oversight to prevent fraud, waste and abuse may have several unintended consequences.

The USM respectfully requests an unfavorable report on House Bill 756.