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SB 922 - Office of Legislative Audits – Acceptance and Investigation of Allegations of Fraud, Waste, and Abuse

Senator Clarence Lam - District 12

Senate Education, Health, and Environmental Affairs Committee

February 23rd, 2021

The Office of Legislative Audits (OLA)

- OLA is a unit within the Department of Legislative Services (DLS)
- OLA provides independent, objective, non-partisan audits and evaluations of state agencies and local school systems.
- Audits and evaluations conducted by OLA are performed by an exceptionally talented staff recognized for producing highly-detailed findings and recommendations.
 - These efforts assist the Maryland General Assembly in providing critical oversight and performance recommendations for State government entities.

OLA Fraud Hotline

- OLA operates a Fraud Hotline which receives allegations of waste, fraud, and abuse within State government entities.
 - These allegations can include questionable procurement practices, theft of State property, conflicts of interest, violations of State law, and misuse of state resources.
 - Allegations can be referred by phone, mail, in-person, and via the OLA website.
 - Since its launch in 2003, the Hotline has received over 400 reports on average each year.
- Depending on the nature of the allegation, OLA will perform a special audit, review the allegation during regularly scheduled fiscal compliance audits, or refer the concern to the appropriate agency for review.

Issues Addressed by SB 922

- OLA has brought to the attention of this bill's sponsors instances of state agency refusal to incorporate Fraud Hotline awareness education and materials to their staff.
- SB 922 intends to secure the cooperation of state agencies to enhance OLA's capacity to investigate waste, fraud, and abuse through the requirements that state agencies:
 - Promote awareness of the Fraud Hotline through postings displayed on agency websites and at conspicuous locations within the agency's physical campus
 - Compel the timely coordination of requests made by OLA to state agencies
 - Report instances of waste, fraud, and abuse relating to state resources and activities that are within the scope of OLA's authority and purview.

Sponsor Amendments

- A sponsor amendment has been introduced to address the unintentional granting of certain authorities to OLA that was raised in discussions with the Office of State Prosecutor and the Office of the Attorney General Criminal Division.
 - The insights provided by these entities are greatly appreciated towards the advancement of the shared goal aiming to codify OLA's authority to provide independent fraud investigations.
- As a result of this sponsor amendment, the fiscal costs associated with the original bill analysis are projected to be significantly reduced if not outright eliminated.