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OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research
and Drafting

Legislative Budget
Office

S.B. 91
135th General Assembly

Fiscal Note & Local Impact Statement

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Version: As Reported by Senate Government Oversight

Primary Sponsor: Sen. Schaffer

Local Impact Statement Procedure Required: No

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Highlights

- The Auditor of State will incur costs under GRF appropriation line item 070404, Fraud/Corruption Audits and Investigations, to create training materials detailing Ohio's fraud-reporting system and the means of reporting fraud, waste, and abuse.
- The Department of Administrative Services will incur some additional costs under the Human Resources Services Fund (Fund 1250) to distribute fraud training materials to public officials and employees of public offices as specified in the bill.

Detailed Analysis

Auditor of State

The Auditor of State (AOS) will incur some new costs to create and distribute additional training materials detailing Ohio's fraud-reporting system and the means of reporting fraud, waste, and abuse. This provision will predominately be funded through GRF appropriation line item (ALI) 070404, Fraud/Corruption Audits and Investigations. Under current state law, public offices are required to notify employees about the methods available for reporting fraud. Additionally, the AOS provides a webpage identifying behaviors that may indicate fraud.

It is possible that these changes could increase the frequency of credible fraud claims, increasing prosecutions and potential findings of recovery. In FY 2022, the AOS's Special Investigations Unit (SIU) received 762 tips regarding suspected fraud and noncompliance. These tips were primarily received through email (303) and the AOS website (172). At any given time during FY 2022, the SIU was involved in about 105 active special audits and investigations. Ultimately, the SIU, in conjunction with law enforcement entities, secured 18 convictions and issued 33 findings for recovery as a civil remedy to recover public dollars identified to have been stolen through fraud.

Additionally, the bill requires the AOS to promptly notify the appropriate prosecuting attorney, director of law, village solicitor, or similar chief legal officer of reports of probable fraud or theft, unless the person to be notified is identified in the report as the alleged perpetrator.

Department of Administrative Services

The Department of Administrative Services will incur minimal costs to administer training materials to public officials and employees of public offices. Training materials will likely be placed on the Ohio Learn website alongside other required workplace trainings. The cost of providing these training materials will likely be funded through Fund 1250 ALI 100622, Human Resources Division – Operating.

Other provisions

The bill contains other provisions modifying current law that do not appear to have any substantial new fiscal effects, if any at all. This is the case for a provision that permits the Office of Internal Audit within the Office of Budget and Management to consult with the AOS on any cases of reported misuse of public resources or cybersecurity events that it receives and enables the Office to share written reports upon request from the AOS. The bill specifies that these shared written reports are not considered public records. Finally, the bill clarifies reporting procedures and timing.