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OFFICE OF THE INSPECTOR GENERAL

House Bill 6017 as enrolled
Public Act 573 of 2002
Second Analysis (10-10-02)

Sponsor: Rep. Jason Allen
House Committee: Family and Children
Services
Senate Committee: Families, Mental
Health, and Human Services

THE APPARENT PROBLEM:

Created in 1972, the Office of Inspector General (OIG) is a criminal justice agency within the Family Independence Agency (FIA). The OIG assists the FIA in maintaining the integrity and accountability in the administration of its programs by conducting investigations to ensure the appropriate and efficient use of available public resources. The OIG conducts investigations regarding alleged instances of welfare fraud, non-Medicaid fraud, and program fraud perpetrated by departmental employees. Investigations that reveal the existence of fraud are forwarded to the appropriate law enforcement authority or area within the FIA for administrative action. In addition to investigations, the OIG reviews the department's administrative policies and procedures, and recommends mechanisms to improve fraud deterrence and detection, and accountability. Legislation has been introduced that would codify the Office of Inspector General.

THE CONTENT OF THE BILL:

The bill would amend the Social Welfare Act (Public Act 180 of 1939) to codify into statute the Office of Inspector General as a criminal justice agency within the Family Independence Agency. The duties of the OIG would be to investigate alleged incidents of fraud, waste, and abuse within programs administered by the FIA. The OIG would also make referrals for prosecution and disposition of appropriate cases; review administrative policies, practices, and procedures; and make recommendations to improve program integrity and accountability. The bill would take effect on December 1, 2002.

MCL 400.43b

BACKGROUND INFORMATION:

The bill is part of a larger package of bills that would centralize and streamline administrative procedures of the Friend of the Court and the Office of Child Support (see House Bills 6004-6012, and 6020).

FISCAL IMPLICATIONS:

According to the House Fiscal Agency, the bill would have no fiscal impact. (10-10-02)

ARGUMENTS:

For:

The efforts to reform the office of the Friend of the Court have brought forward the importance of the Office of the Inspector General. The OIG provides a valuable service to not only the department, but to the taxpayers of the state as well. Through its investigations, the OIG ensures that taxpayer funds are spent efficiently and appropriately. Given the increased duties of the Family Independence Agency under the Friend of the Court reform package it is imperative that the office is provided with the authority and independence to impartially investigate alleged incidents of fraud within the department.

Against:

The bill is not necessary. The Office of Inspector General has been in existence for 30 years without being placed in statute.

Analyst: M. Wolf

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.