

1 **AN ACT** *to create* 15.105 (32) and 16.962 of the statutes; **relating to:** creating an
2 office of inspector general for public assistance, granting rule-making authority, and
3 making an appropriation.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

JOINT LEGISLATIVE COUNCIL PREFATORY NOTE: This draft was prepared for the Joint Legislative Council's Special Committee on Public Assistance Program Integrity.

The draft creates the office of inspector general for public assistance. The office is in the Department of Administration and the inspector general is appointed by the governor. The office is required to oversee the efforts and programs of state and local agencies that administer public assistance programs under ch. 49, stats., that have the purpose of prevention and investigation of fraudulent activity by and imposition of sanctions on program recipients and providers, error reduction, and recovery of overpayments; establish statewide goals for fraud and error rates; and collect information on the rates of fraud and error, the effects of efforts to reduce fraud and error, the number of and outcome for cases that are referred for prosecution, and the progress in meeting fraud and error goals.

The draft requires the office to annually report on the information it collects and the activities of the office to the governor and the legislature. The draft also requires the office to cooperate with and provide technical assistance to state and local agencies, the department of justice, local law enforcement agencies, and district attorney offices relating to fraud and error in public assistance programs.

Under the draft, the office must provide grants to counties, tribal governing bodies, Wisconsin works agencies, or consortia of those entities to prevent and investigate fraudulent activity and impose sanctions on program recipients and providers, to reduce errors, and to recover overpayments.

The draft permits the office to call upon any state department, agency, or officer, or any agency of a political subdivision, to provide data or other information related to the duties of the office and requires those

departments and agencies to cooperate with the office to the fullest possible extent.

1 **SECTION 1.** 15.105 (32) of the statutes is created to read:

2 15.105 **(32)** OFFICER OF INSPECTOR GENERAL FOR PUBLIC ASSISTANCE. There is created an
3 office of inspector general for public assistance in the department of administration under s.
4 15.032. The inspector general shall be appointed by the governor to serve at the pleasure of
5 the governor.

NOTE: This SECTION creates the office of inspector general for public assistance in the department of administration.

COMMENT: The draft does not require the appointment of the inspector general to be confirmed by the Senate. Should the draft be modified to require Senate confirmation?

6 **SECTION 2.** 16.962 of the statutes is created to read:

7 **16.962 Office of inspector general for public assistance. (1) DUTIES.** The office of
8 inspector general for public assistance shall:

9 (a) Oversee efforts and programs of state and local agencies that administer public
10 assistance programs under ch. 49 that have the purpose of:

11 1. Prevention and investigation of fraudulent activity by, and imposition of sanctions
12 on, public assistance program recipients and providers.

13 2. Error reduction.

14 3. Overpayment recovery from public assistance program participants and providers.

15 (b) Establish statewide goals for fraud and error rates.

16 (c) Collect information from state and local agencies regarding the following:

17 1. The rates of fraud and errors in public assistance programs.

18 2. The effect of efforts to prevent or reduce fraud and errors, including the amounts
19 recovered and cost savings as a result of those efforts.

1 3. The number of and outcomes for cases referred for prosecution.

2 4. The progress in meeting the goals established under par. (b).

3 (d) Report annually to the governor, and to the legislature in the manner provided under
4 s. 13.172 (2), on:

5 1. The information collected under par. (c).

6 2. The activities of the office under this section.

7 (e) Cooperate with and provide technical assistance to state and local agencies
8 administering public assistance programs under ch. 49 and the department of justice, local law
9 enforcement agencies, and district attorney offices, relating to fraud and error in public
10 assistance programs.

11 (2) APPOINTMENT OF INSPECTOR GENERAL. The governor shall appoint an inspector
12 general under s. 15.105 (32) outside the classified service.

13 (3) GRANTS. The office shall provide grants, from the appropriation under s. 20.505
14 (5m), to counties, tribal governing bodies, Wisconsin works agencies, or consortia of those
15 entities, to perform the activities specified in sub. (1) (a) 1. to 3. The department shall
16 promulgate rules establishing the criteria for awarding grants under this subsection.

17 (4) COOPERATION OF OTHER AGENCIES. The office may call upon any state department,
18 agency, or officer, or any agency of a political subdivision, to provide data or other information
19 related to the duties of the office and those departments and agencies shall cooperate with the
20 office to the fullest possible extent.

NOTE: This SECTION sets forth the duties of the office of inspector general for public assistance. This SECTION also requires the office to award grants to counties, tribal governing bodies, Wisconsin works agencies, or consortia of those entities to prevent and investigate fraudulent activity by and impose sanctions on program recipients and providers, to reduce errors, and to recover overpayments. Finally, this SECTION permits the office to call upon any state department, agency, or

officer, or any agency of a political subdivision, to provide data or other information related to the duties of the office and requires those departments and agencies to cooperate with the office to the fullest possible extent.

COMMENTS: 1. Should the draft specify a reporting date and the time period the annual report to the governor and the legislative should cover?

2. The draft requires the office of inspector general to award grants to local entities but does not authorize the office to directly conduct activities relating to prevention and reduction of fraud and error. Should the office have the authority to conduct these activities?

SECTION 3. 20.505 (5m) (schedule) of the statutes: at the appropriate place, insert the following amounts for the purposes indicated:

					2011-12	2012-13
20.505 (5m)	OFFICE OF INSPECTOR GENERAL FOR PUBLIC					
	ASSISTANCE					
(a)	General program operations	GPR	A		\$0	\$0
(b)	Grants for fraud and error reduction	GPR	A		\$0	\$0

NOTE: This SECTION appropriates funding for the office of inspector general of public assistance and for grants awarded by the office to counties, tribal governing bodies, Wisconsin works agencies, or consortia of those entities to prevent and investigate fraudulent activity and impose sanctions on program recipients and providers, to reduce errors, and to recover overpayments

COMMENT: What is the appropriate level of funding for these appropriations?

(END)