



State of Connecticut

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Testimony of State Senate Minority Leader John McKinney
Government Administration and Elections Public Hearing
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1:00 PM in Room 2B of the LOB

Good afternoon Senator Musto, Representative Jutila, Senator McLachlan, Representative Hwang and members of the Government Administration and Elections Committee, thank you for the opportunity to testify today in support of *Raised Bill 5433 An Act Establishing an Office of Inspector General*.

The purpose of an inspector general is to combat waste, fraud and inefficiency in government. Under this proposal, the state inspector general would have broad authority to conduct inspections and investigations of all facets of state government; access directly all records of state agencies; subpoena information and documents; administer oaths when taking testimony; and receive and respond to complaints from agency employees, whose confidentiality would be protected. To protect the integrity and impartiality of the office, the inspector general would be appointed by the auditors of public accounts from a list provided by a bipartisan legislative group.

Taxpayers would be the greatest beneficiaries of a state Office of Inspector General (OIG). The federal government currently has inspectors general in all executive branch departments, and in most small agencies. Collectively, the work of these inspectors general has resulted in significant improvements to the economy and efficiency of programs government wide, with potential savings totaling approximately **\$46.3 billion annually**. With the OIG community's aggregate FY 2012 budget of approximately \$2.7 billion, these potential savings represent about a \$17 return on every dollar invested. The savings total includes: **\$35.9 billion** from audit recommendations agreed to by management, and **\$10.4 billion** from investigative receivables and recoveries (Source - Council of the Inspectors General on Integrity and Efficiency).

In FY 2012, the OIGs also considerably strengthened programs through:

8,141 audit, inspection, and evaluation reports issued;

- 27,237 investigations closed;
- 632,623 hotline complaints processed;
- 6,669 indictments and criminal informations;
- 5,374 successful prosecutions;
- 1,069 successful civil actions;
- 5,805 suspensions or debarments; and
- 3,432 personnel actions.

Raised Bill 5433 would give the Inspector General the authority to initiate investigations of fraud and abuse in government agencies as well as responsibility for receiving and reviewing whistleblower complaints, a responsibility that currently resides with the State Auditors. However, the bill continues to vest the Attorney General's Office with the ultimate responsibility for investigating whistleblower complaints and determining whether a report to the Governor and follow up action is necessary. This structure is fundamentally flawed and poses an untenable conflict of interest. The Attorney General's Office is the chief legal counsel and defender of state agencies. To task the same office legally obligated to defend a state agency with the contrary duty to investigate such agency is absurd on its face. Regardless of the good intentions of the Attorney General himself or his staff, it is simply an unworkable framework

Many of you will remember an incident in 2008 when eight Connecticut state troopers filed a lawsuit against Attorney General Richard Blumenthal, alleging that the attorney general's dual role of both investigating complaints of wrongdoing and, at the same time, defending state agencies against whistleblower complaints, compromises his ability to protect whistleblowers. In fact, several troopers testified that they were reluctant to file complaints with the attorney general's office for fear of losing their jobs.

I agree with the troopers. As long as whistleblower charges are handled by the same office responsible for defending state agencies against whistleblower complaints, some people are going to be afraid to come forward when they have witnessed abuses of power. I strongly recommend that the power and authority to investigate whistleblower complaints be consolidated in the new Office of Inspector General. The reason whistleblower complaints have been left to the Attorney General is primarily because of that office's authority to summon witnesses and documents. However, the Inspector General would now have that authority and be fully capable of conducting a thorough and independent investigation.

The D-SNAP fraud fiasco and the ensuing reports from DSS employees that complaints of fraud and abuse went unheeded made the need for an independent office with the authority to investigate fraud and abuse obvious. Recently, it was also brought to my attention that the state

may be wasting millions of dollars by double paying for certain child care through both DCF and DSS. The state employee who notified me of this situation states that she has attempted numerous times to resolve the issue internally but has been ignored.

The status quo, which allows whistleblower complaints to languish for years and leaves those honest employees who come forward with information feeling left out in the cold, simply cannot continue.

In this building we talk a lot about the importance of government transparency, but we rarely do anything to improve it. This is my last session in the Connecticut General Assembly. I have proposed creating a state office of inspector general in every legislative session since 2003, often with Democrat co-sponsors. In fact State Senator Ed Meyer supports the proposal in its current form. But despite countless scandals, allegations of state government waste, and abuses of state government offices that have happened since 2003, resulting in fines, resignations and even imprisonments, this proposal has been rejected every single year.

In many of those instances, Connecticut investigated possible wrongdoing after the fact. An inspector general's office would be empowered to conduct preemptive inspections, potentially preventing fraud and abuse before it happens.

Before closing, I would like to briefly express my support for *Raised Bill 5432 An Act Requiring A Report On Performance Audits* as well. A recent report by the Auditors of Public Accounts notes that, due to reduced funding, their office has been forced to close its performance audit unit. Performance audits are uniquely designed to evaluate, using objective evidence based criteria, whether a state program is achieving its goals in an efficient and effective manner. Most states conduct performance audits on a regular basis. Taxpayers deserve to know that scarce state resources are being used efficiently and producing tangible results. This is why I submitted a bill, which is currently pending in the Appropriations Committee, to restore funding to the State Auditors so that they can reestablish the performance audit unit. Raised Bill 5432 would complement that proposal by asking the Auditors to report back to the legislature regarding the status and results of any performance audit conducted during the year, and I support its passage.

Thank you for your consideration of these proposals and for the opportunity to testify before you today.