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 DIGEST

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Murray

SB No. 220

Present law provides that an agency head of an auditee who has actual knowledge of any misappropriation of the public funds or assets of his agency shall immediately notify, in writing, the legislative auditor and the district attorney of the parish in which the agency is domiciled of such misappropriation.

Proposed law retains present law and additionally provides that an agency head who has reasonable cause to believe that there has been a misappropriation shall provide such notification. Provides that "reasonable cause" includes information obtained as a result of the filing of a police report, an internal audit finding, or other source indicating such a misappropriation has occurred.

Proposed law provides that when misappropriation is discovered and reported, the attorney general, at the request of the legislative auditor, shall be authorized to recover misappropriated funds from the responsible party by civil suit. Provides that upon a finding of misappropriation, the attorney general shall also seek restitution from the responsible party of those costs incurred by the legislative auditor to audit, investigate, or report an allegation of misappropriation. Additionally provides that all costs and reasonable attorney fees incurred by the attorney general in the civil suit shall be recoverable from the responsible party.

Proposed law defines "responsible party" as the person or entity actually responsible for the reported misappropriation.

(Amends R.S. 24:523)

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Senate and Governmental Affairs to the original bill

1. Provides that all costs and reasonable attorney fees incurred by the attorney general in the civil suit shall be recoverable from the responsible party.

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on House and Governmental Affairs to the reengrossed bill.

1. Removes provisions of proposed law requiring an agency head to provide notice of a misappropriation if he reasonably suspects a misappropriation has occurred because of an action including an investigation, the filing of a police report, or an internal audit finding and provides instead that an agency head must provide notice if he has reasonable cause to believe that there has been a misappropriation; provides that "reasonable cause" includes information obtained as a result of the filing of a police report, an internal audit finding, or other source indicating a misappropriation has occurred.
3. Makes technical changes.