

SENATE SUMMARY OF HOUSE AMENDMENTS

SB 220 By Senator Murray**KEYWORD AND SUMMARY AS RETURNED TO THE SENATE**

LEGIS POWERS/FUNCTIONS. Provides for notification to the legislative auditor and district attorney of certain misappropriations of public funds. (8/1/14)

SUMMARY OF HOUSE AMENDMENTS TO THE SENATE BILL

1. Removes provisions 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 requires that he provide notice if he has reasonable cause to believe that there has been a misappropriation.
2. Adds provision 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. Adds provisions clarifying the restitution of costs by the legislative auditor when he audits, investigates, or reports possible fraud, theft, or other misappropriation when not notified by an agency head of possible fraud, theft, or other misappropriation.

DIGEST OF THE SENATE BILL AS RETURNED TO THE SENATE

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, is authorized to recover misappropriated funds from the responsible party by civil suit. Requires that upon a finding of misappropriation, the attorney general is to seek restitution from the responsible party of those costs incurred by the legislative auditor to audit, investigate, or report an allegation of misappropriation. Provides that all costs and reasonable attorney fees incurred by the attorney general be recoverable from the responsible party.

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

Proposed law provides for restitution of audit costs and requires that costs incurred by the auditor to audit, investigate, or report possible fraud, theft, or other misappropriation be recoverable by civil suit against the responsible party and authorizes the attorney general, at the request of the legislative auditor, to seek recovery of these costs through civil suit against the responsible party. Also authorizes the attorney general or the local district attorney prosecuting the case to seek recovery of costs and reasonable attorney fees incurred.

Provides that if audit costs were previously reimbursed, then those costs are to be paid to the appropriate public or quasi public entity.

Proposed law provides that no person convicted of misappropriation or theft shall have his record expunged until he has made restitution and at least five years have passed since his conviction.

(Amends R.S. 24:523; adds R.S. 24:524)

Thomas L. Tyler
Deputy Chief of Staff