

## STAFF MEASURE SUMMARY

CARRIER:

House Committee on Government Accountability and Information Technology

**REVENUE: No revenue impact****FISCAL: Minimal fiscal impact, no statement issued****Action:** Do Pass and Be Referred to the Committee on Ways and Means by prior reference**Vote:** 5 - 0 - 0**Yeas:** Beyer, Edwards C., Girod, Thatcher, Riley**Nays:** 0**Exc.:** 0**Prepared By:** Patrick Brennan, Administrator**Meeting Dates:** 1/30

**WHAT THE MEASURE DOES:** Creates the crime of obstructing an audit or investigation conducted by or on behalf of the Secretary of State. Designates violation as a Class C felony.

**ISSUES DISCUSSED:**

- Goal of openness and honesty during audit/investigation process
- Application only to state employees
- Potential risk of increase in aggressive tactics by auditors

**EFFECT OF COMMITTEE AMENDMENT:** No amendment.

**BACKGROUND:** The Secretary of State's Audits Division, established in 1929, is responsible for carrying out the constitutional duties of the Secretary of State as Auditor of Public Accounts. The division performs financial and compliance audits of all components of state government and state-aided institutions to determine whether financial operations are conducted properly. The division also carries out performance audits to determine if state programs are conducted economically, effectively and efficiently. The division also performs special studies and investigations in response to allegations of misuse of state resources or inefficient management practices.

House Bill 2087 creates the crime of interfering with an audit or investigation being performed by, or under the direction of, the Secretary of State. The measure applies only to employees of state agencies, which are defined as "Any state department, division, bureau or other agency or body headed by an elected or appointed state officer or member of a board or commission." [ORS 297.110] The crime would entail intentionally making a false material statement to, providing false material information to, or withholding material information from, the Secretary of State or a person conducting an audit or investigation on the Secretary's behalf. A state employee would also commit the violation if he or she directs another person not to cooperate, or tries to prevent them from cooperating, with an audit or investigation.

House Bill 2087 designates violation of the provisions of the measure as a Class C felony, punishable by a maximum of five years' imprisonment, a fine of up to \$125,000, or both.

2/5/2007 11:10:00 AM

***This summary has not been adopted or officially endorsed by action of the committee.***

Committee Services Form – 2007 Regular Session