

1.1 Senator moves to amend S.F. No. 856 as follows:

1.2 Page 6, delete lines 8 to 12 and insert:

1.3 "(7) alert relevant commissioners or heads of agencies when the inspector general has
1.4 a reasonable suspicion that fraud or misuse is being committed, whether or not the inspector
1.5 general is conducting an investigation, as provided in subdivision 3; and"

1.6 Page 7, after line 7, insert:

1.7 "Subd. 3. **Alerting agency of issue; seeking a court order to freeze funds.** If the agency
1.8 does not have primary investigative authority under subdivision 2, the inspector general
1.9 shall investigate and, if the inspector general has a reasonable suspicion that fraud or misuse
1.10 is occurring, then the inspector general may, at the inspector general's discretion, alert the
1.11 commissioner and seek a court order to freeze or stop distribution of public funds, including
1.12 any applicable due process and appeal rights, working in cooperation with the agency where
1.13 practical and where it would not jeopardize an investigation.

1.14 If the agency has primary investigative authority under subdivision 2 but the inspector
1.15 general is not satisfied that the agency's internal investigation is adequate or proceeding
1.16 quickly enough, the inspector general may independently investigate and, if the inspector
1.17 general has a reasonable suspicion that fraud or misuse is being committed, may make a
1.18 recommendation to the agency to freeze or cease distribution of funds and notify the
1.19 appropriate law enforcement agencies.

1.20 If a commissioner or head of an agency does not act on a recommendation to freeze or
1.21 cease distribution of funds as requested, after reasonable notice and consistent with any
1.22 applicable interagency agreements under section 17, unless prohibited by federal
1.23 requirements, the inspector general may, at the inspector general's discretion, seek a court
1.24 order to freeze or stop distribution of public funds, consistent with applicable due process
1.25 and appeal rights."