

1 **ESSB 5180 - H AMD 0268 FAILED 04/25/99**

2 By Representative Clements

3 On page 31, after line 29, insert the following:

4 (4) Amounts appropriated to the department of social and health  
5 services in this act may not be distributed by the department to  
6 entities audited under RCW 43.09.055, except as obligated by contracts  
7 entered into prior to the effective date of this act, until the state  
8 auditor releases the audit and, if the audit identifies overpayments  
9 made to the entity, the department enters into a repayment agreement  
10 with the entity for reimbursement of overpayment amounts as set by the  
11 department. All repayment agreements are subject to approval by the  
12 office of financial management and the state auditor.-

**EFFECT:** DSHS may not provide funds to a state contractor that has been audited by the State Auditor for suspicion of misusing state funds until the audit is released and the contractor has agreed to reimburse the department for any overpayments identified in the audit. DSHS may continue to make payments according to current contractual obligations.