

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 527 Session of 2017

INTRODUCED BY AUMENT, REGAN, SCARNATI, MCGARRIGLE, ARGALL, VOGEL, GORDNER, RESCHENTHALER, VULAKOVICH, FOLMER, MARTIN, DISANTO, WARD, YUDICHAK, RAFFERTY, MENSCH, STEFANO, SCAVELLO, BARTOLOTTA AND BROWNE, MARCH 20, 2017

REFERRED TO STATE GOVERNMENT, MARCH 20, 2017

AN ACT

1 Amending the act of April 9, 1929 (P.L.177, No.175), entitled,  
 2 "An act providing for and reorganizing the conduct of the  
 3 executive and administrative work of the Commonwealth by the  
 4 Executive Department thereof and the administrative  
 5 departments, boards, commissions, and officers thereof,  
 6 including the boards of trustees of State Normal Schools, or  
 7 Teachers Colleges; abolishing, creating, reorganizing or  
 8 authorizing the reorganization of certain administrative  
 9 departments, boards, and commissions; defining the powers and  
 10 duties of the Governor and other executive and administrative  
 11 officers, and of the several administrative departments,  
 12 boards, commissions, and officers; fixing the salaries of the  
 13 Governor, Lieutenant Governor, and certain other executive  
 14 and administrative officers; providing for the appointment of  
 15 certain administrative officers, and of all deputies and  
 16 other assistants and employes in certain departments, boards,  
 17 and commissions; and prescribing the manner in which the  
 18 number and compensation of the deputies and all other  
 19 assistants and employes of certain departments, boards and  
 20 commissions shall be determined," establishing the Office of  
 21 State Inspector General.

22 The General Assembly finds and declares that:

23 (1) The prevention of fraud, waste, abuse and corruption  
 24 of the agencies of State government is an important  
 25 responsibility of the Commonwealth.

26 (2) The prevention of waste, fraud, abuse and corruption

1 in State agencies depends in part on the development,  
2 implementation and enforcement of sound policies and  
3 procedures to that end.

4 (3) Each State agency should exercise constant vigilance  
5 and firmly commit to the implementation and enforcement of  
6 such policies and procedures.

7 (4) The establishment of a full-time program of  
8 investigation and performance review to provide increased  
9 accountability and oversight over State agencies best helps  
10 deter and identify waste, fraud, abuse and illegal acts.

11 (5) The statutory creation of a wholly independent  
12 office of Inspector General to conduct investigations,  
13 inspections and other reviews in accordance with those  
14 professional standards that relate to the fields of  
15 investigation in governmental environments is necessary to  
16 achieve these goals.

17 The General Assembly of the Commonwealth of Pennsylvania  
18 hereby enacts as follows:

19 Section 1. The act of April 9, 1929 (P.L.177, No.175), known  
20 as The Administrative Code of 1929, is amended by adding an  
21 article to read:

22 ARTICLE V-A

23 OFFICE OF STATE INSPECTOR GENERAL

24 Section 501-A. Definitions.

25 The following words and phrases when used in this article  
26 shall have the meanings given to them in this section unless the  
27 context clearly indicates otherwise:

28 "Executive agency." As defined in section 102 of the act of  
29 act of October 15, 1980 (P.L.950, No.164), known as the  
30 Commonwealth Attorneys Act.

1 "Office." The Office of State Inspector General.

2 Section 502-A. Office of State Inspector General.

3 (a) Establishment.--The Office of State Inspector General is  
4 established.

5 (b) Appointment.--Within 90 days of the effective date of  
6 this section, the Governor shall nominate a State Inspector  
7 General who shall serve for a term of six years. The nomination  
8 of the State Inspector General shall be confirmed by the Senate  
9 by two-thirds of all the members of the Senate. Compensation  
10 shall be set by the Executive Board established under section  
11 204. The State Inspector General may not serve more than two  
12 terms.

13 (c) Limitation.--The State Inspector General may not seek  
14 election nor accept appointment to a political office during his  
15 or her tenure as State Inspector General and for one year  
16 thereafter.

17 (d) Removal.--The State Inspector General may be removed by  
18 the Governor for cause.

19 Section 503-A. Powers, purpose and duties.

20 (a) Powers.--The State Inspector General shall have the  
21 power to:

22 (1) Make an investigation and report relating to the  
23 administration of a program and operation of an executive  
24 agency that the State Inspector General determines is  
25 necessary. If the State Inspector General determines that a  
26 report should be issued, the State Inspector General may  
27 consult with the Office of General Counsel or the Attorney  
28 General before issuing the report to insure against an  
29 adverse impact on a grand jury proceeding or prosecution  
30 being conducted by a law enforcement agency.

1           (2) Request information or assistance necessary for  
2 carrying out the duties and responsibilities under this  
3 article from a Federal, State or local government agency or a  
4 unit of a Federal, State or local government agency.

5           (3) Require and obtain, by written notice from an  
6 officer and employee of an executive agency and the Executive  
7 Department, information, documents, reports, answers,  
8 records, accounts, papers and other necessary data and  
9 documentary evidence.

10          (4) Have direct and prompt access to the heads of  
11 executive agencies if necessary for a purpose pertaining to  
12 the performance of functions and responsibilities under this  
13 article.

14          (5) Select, appoint and employ officers and employees  
15 necessary for carrying out the functions, powers and duties  
16 of the office. The officers and employees shall be employed  
17 in accordance with current procedures of the Office of  
18 Administration and may be assigned by the State Inspector  
19 General to a designated executive agency.

20          (b) Purpose.--The purpose of the Office of State Inspector  
21 General is as follows:

22           (1) To deter, detect, prevent and eradicate fraud,  
23 waste, misconduct and abuse in a program, operation and  
24 contracting of an executive agency.

25           (2) To keep the head of an executive agency, the  
26 Governor and the President pro tempore of the Senate and the  
27 Speaker of the House of Representatives fully informed about  
28 a problem and deficiency relating to the administration of a  
29 program, operation and contracting of an executive agency.

30           (3) To provide leadership, coordination and control over

1 satellite Inspector General Offices in a designated executive  
2 agency to insure a coordinated and efficient administration  
3 of duties and use of staff. The existing Office of Inspector  
4 General in the Department of Transportation shall continue as  
5 a satellite Inspector General Office. Each satellite  
6 Inspector General Office in an executive agency shall report  
7 to and follow the direction of the State Inspector General.

8 (c) Duties.--The State Inspector General shall:

9 (1) Inspect, evaluate, investigate and review the  
10 activities, records and individuals with contracts,  
11 procurements, grants, agreements and other financial  
12 arrangements undertaken by an executive agency for the  
13 purposes of identifying fraud, waste, misconduct or abuse.

14 (2) Conduct criminal, civil and administrative  
15 investigations.

16 (3) Make referrals to the Auditor General for the audit  
17 of the economy, efficiency and effectiveness of an executive  
18 agency's operations and functions and conduct reviews of the  
19 executive agency's performance measurement system.

20 (4) Review the reliability and validity of the  
21 information provided by an executive agency's performance  
22 measures and standards.

23 (5) Provide information and evidence that relates to  
24 criminal acts to appropriate law enforcement officials.

25 (6) Receive and investigate complaints from a source or  
26 upon the State Inspector General's own initiative concerning  
27 alleged abuses, frauds and service deficiencies, including  
28 deficiencies in the operation and maintenance of a facility.

29 (7) Engage in prevention activities, including, but not  
30 limited to, review of legislation, rules, regulations,

1 policies, procedures and transactions, training and  
2 education.

3 (8) Refer matters for further civil, criminal and  
4 administrative action to appropriate administrative and  
5 prosecutorial agencies.

6 (9) Conduct joint investigations and projects with other  
7 oversight or law enforcement agencies.

8 (10) Recommend remedial actions to be taken by an  
9 executive agency to overcome or correct operating or  
10 maintenance deficiencies and inefficiencies that were  
11 identified by the State Inspector General.

12 (11) Issue public reports.

13 (12) Monitor implementation of recommendations made by  
14 the State Inspector General and other audit agencies.

15 (13) Maintain information regarding the cost of  
16 investigations and cooperate with appropriate administrative  
17 and prosecutorial agencies in recovering the costs from  
18 nongovernmental entities involved in willful misconduct.

19 (14) Perform other functions necessary to effectuate  
20 this article.

21 Section 504-A. Request for information.

22 (a) Duty.--Upon request of the State Inspector General for  
23 information or assistance, an executive agency must within 10  
24 days furnish the information and assistance to the State  
25 Inspector General or an authorized designee.

26 (b) Report.--If information or assistance requested under  
27 subsection (a) is, in the judgment of the State Inspector  
28 General, unreasonably refused or not provided, the State  
29 Inspector General may report the circumstances to the head of  
30 the agency, the Office of General Counsel, the President pro

1 tempore of the Senate and the Speaker of the House of  
2 Representatives for appropriate action.

3 Section 505-A. Complaint, disclosure and reprisal.

4 (a) Complaint.--The State Inspector General may receive and  
5 investigate a complaint or information concerning the possible  
6 existence of an activity in an executive agency constituting any  
7 of the following:

8 (1) A violation of a law, rule or regulation.

9 (2) Mismanagement, fraud, waste of funds, abuse of  
10 authority, malfeasance, misfeasance and nonfeasance.

11 (3) A substantial and specific danger to the public  
12 health and safety.

13 (b) Disclosure.--No person may take or threaten to take  
14 action against an employee as a reprisal for making a complaint  
15 or disclosing information to the State Inspector General, except  
16 if the complaint was made or the information was disclosed with  
17 the knowledge that the complaint or information was false or  
18 with willful disregard for the truth or falsity of the complaint  
19 or information.

20 (c) Protection.--The protections in this article for  
21 employees who report, in good faith, fraud, waste, misconduct,  
22 malfeasance, misfeasance, nonfeasance or abuse shall be in  
23 addition and supplementary to each protection provided by the  
24 act of December 12, 1986 (P.L.1559, No.169), known as the  
25 Whistleblower Law.

26 Section 506-A. Appropriation.

27 The appropriation for the office shall be in a separate line  
28 item and shall be under the jurisdiction of the State Inspector  
29 General.

30 Section 2. Except as otherwise provided in Article V-A of

1 the act:

2 (1) All activities initiated by the Office of Inspector  
3 General in existence on the effective date of this section  
4 shall continue and remain in full force and effect and may be  
5 completed under Article V-A of the act.

6 (2) Orders, regulations, rules and decisions which were  
7 made by the Office of Inspector General in existence on the  
8 effective date of this section and which are in effect on the  
9 effective date of this section shall remain in full force and  
10 effect until revoked, vacated or modified under Article V-A  
11 of the act.

12 (3) Contracts, obligations and collective bargaining  
13 agreements entered into by the Office of Inspector General in  
14 existence on the effective date of this section are not  
15 affected nor impaired by the addition of Article V-A of the  
16 act.

17 Section 3. This act shall take effect in 60 days.