
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1700 Session of
2007

INTRODUCED BY MARSICO, TURZAI, GRELL, BOYD, CAPPELLI, CAUSER,
CIVERA, CLYMER, COX, CREIGHTON, CUTLER, DALLY, DENLINGER,
FAIRCHILD, GEIST, GINGRICH, GODSHALL, HARRIS, HERSHEY,
KAUFFMAN, KIRKLAND, MARKOSEK, MARSHALL, McILHATTAN, MENSCH,
MOUL, MOYER, MURT, MUSTIO, NAILOR, O'NEILL, PAYNE, PEIFER,
PERRY, PHILLIPS, PICKETT, RAPP, ROAE, ROHRER, RUBLEY, SAYLOR,
SCHRODER, STAIRS, STERN, R. STEVENSON, SWANGER, TANGRETTI,
THOMAS, TRUE, VULAKOVICH AND YOUNGBLOOD, JULY 6, 2007

REFERRED TO COMMITTEE ON STATE GOVERNMENT, JULY 6, 2007

AN ACT

1 Establishing the Office of Inspector General; imposing duties
2 upon the Auditor General and the Legislative Reference
3 Bureau; and abolishing an executive office.

4 The General Assembly of the Commonwealth of Pennsylvania
5 hereby enacts as follows:

6 Section 1. Short title.

7 This act shall be known and may be cited as the Inspector
8 General Act.

9 Section 2. Declaration of policy.

10 The General Assembly finds and declares as follows:

11 (1) The following are the purposes of this act:

12 (i) To establish a full-time program of audit,
13 investigation and performance review to provide increased
14 accountability, integrity and oversight of State
15 government.

1 (ii) To assist in improving State government
2 operations and in deterring and identifying fraud, abuse
3 and illegal acts.

4 (iii) To create a wholly independent office of
5 Inspector General to conduct investigations, audits,
6 evaluations, inspections and other reviews in accordance
7 with professional standards which relate to the fields of
8 investigation and auditing in government environments.

9 (2) The Inspector General shall be appointed under
10 section 4(b) without regard to political affiliation.

11 Section 3. Definitions.

12 The following words and phrases when used in this act shall
13 have the meanings given to them in this section unless the
14 context clearly indicates otherwise:

15 "Office." The Office of Inspector General established in
16 section 4.

17 "Public employee." An individual employed by the
18 Commonwealth or a political subdivision.

19 "Public official." An individual elected or appointed to a
20 position in the government of the Commonwealth or a political
21 subdivision.

22 Section 4. Office.

23 (a) Establishment.--The Office of Inspector General is
24 established as an independent agency.

25 (b) Appointment.--

26 (1) The Inspector General shall be appointed by the
27 Governor with the consent of two-thirds of the members
28 elected to the Senate.

29 (2) The appointee must demonstrate all of the following:

30 (i) Integrity.

1 (ii) Capability for strong leadership.

2 (iii) Ability in accounting, auditing, financial
3 analysis, law, management analysis, public
4 administration, investigation or criminal justice
5 administration, or other closely related fields.

6 (iv) Knowledge, skills, abilities and experience in
7 conducting audits and investigations.

8 (3) The appointee must not be a public official or
9 public employee.

10 (4) The appointee must not have been a public official
11 or public employee within two years of appointment.

12 (c) Certification.--Within 90 days of confirmation, the
13 appointee must be certified by an association of inspectors
14 general recognized by the Auditor General.

15 (d) Term.--The term of office shall be six years. An
16 individual is eligible for reappointment.

17 (e) Removal.--The Inspector General may be removed from
18 office for cause.

19 (f) Powers.--The office has the following powers to
20 accomplish the purposes set forth in section 2(1):

21 (1) The office shall have access to the physical plant,
22 documents, personnel and records necessary to carry out the
23 duties under subsection (g).

24 (2) The office may subpoena witnesses, administer oaths
25 or affirmations, take testimony and compel the production of
26 documents, as necessary to carry out the duties under
27 subsection (g).

28 (3) The office shall have access to the head of a
29 Commonwealth agency when necessary to carry out the duties
30 under subsection (g).

1 (4) The office may require Commonwealth employees to
2 report to the office information regarding fraud, waste,
3 corruption, illegal acts and abuse.

4 (g) Duties.--The office has the following duties:

5 (1) Audit, evaluate, investigate and inspect the
6 activities, records and persons with contracts, procurements,
7 grants, agreements and other programmatic and financial
8 arrangements involving State government.

9 (2) Audit the economy, efficiency, and effectiveness of
10 the operations and functions of State government and conduct
11 reviews of the performance measurement system of each
12 Commonwealth agency.

13 (3) Review the reliability and validity of the
14 information provided by performance measures and standards.

15 (4) Provide information and evidence which relates to
16 criminal acts to appropriate law enforcement officials.

17 (5) Initiate reviews or audits of Commonwealth agencies
18 as the Inspector General deems appropriate.

19 (6) Upon complaint or upon its own initiative,
20 investigate possible abuse, fraud and service deficiencies.

21 (7) Engage in prevention activities. This paragraph
22 includes: review of legislation; review of regulations,
23 policies, procedures and transactions; and training and
24 education.

25 (8) Refer matters for further civil, criminal and
26 administrative action to appropriate authorities.

27 (9) Conduct joint investigations and projects with other
28 commonwealth agencies.

29 (10) Recommend remedial actions to be taken to overcome
30 or correct operating or maintenance identified deficiencies

1 and inefficiencies.

2 (11) Issue reports under section 7.

3 (12) Monitor implementation of recommendations made by
4 the office and other audit agencies.

5 (13) Establish policies and procedures to guide
6 functions and processes conducted by the office.

7 (14) Maintain information regarding the cost of
8 investigations and cooperate with appropriate Commonwealth
9 agencies and prosecutorial authorities in recouping those
10 costs from nongovernmental entities involved in willful
11 misconduct.

12 (15) Do all things necessary to carry out the functions
13 set forth in this subsection.

14 Section 5. Resources.

15 (a) Funding.--The office shall be funded from the General
16 Fund in order to accomplish the purposes set forth in section 2
17 (1).

18 (b) Staff.--The Inspector General may do all of the
19 following:

20 (1) Hire staff necessary for the efficient and effective
21 administration of the office.

22 (2) Contract for the services of professional experts
23 necessary to independently perform the functions of the
24 office.

25 Section 6. Records disclosure.

26 (a) Public records.--The audit and investigation reports of
27 the office shall be public records to the extent that they do
28 not include information which has been made confidential and
29 exempt from release to the public.

30 (b) Internal.--During the course of audit and investigation

1 activities, records shall be considered deliberative in process
2 and not available for outside review.

3 (c) Confidentiality.--

4 (1) Names and identities of individuals making
5 complaints and information protected by the act of December
6 12, 1986 (P.L.1559, No.169), known as the Whistleblower Law,
7 shall not be disclosed without the written consent of the
8 individual unless required by law or judicial process.

9 (2) The office shall maintain the confidentiality of
10 public records which are made confidential by law and shall
11 be subject to the same penalties as the custodian of those
12 public records for violating confidentiality statutes.

13 (3) Efforts shall be made to protect the privacy of
14 individuals or employees whenever possible without
15 interfering in the judicial or administrative process
16 initiated to protect the public.

17 Section 7. Reporting office activities.

18 (a) Immediate reports.--The office shall immediately report
19 to the head of the Commonwealth agency involved:

20 (1) Serious or flagrant problems, abuses or deficiencies
21 relating to the administration of programs.

22 (2) Interference with operations of the office.

23 (b) Commonwealth agencies.--The office shall report the
24 findings of its work to the head of the investigated or audited
25 Commonwealth agency.

26 (c) Criminal matters.--The office shall report criminal
27 investigative matters to the Attorney General.

28 (d) Annual reports.--

29 (1) By September 1, the office shall issue an annual
30 report which separately lists audit and review reports and

1 other investigative or assistance efforts completed during
2 the fiscal year. The report shall describe accomplishments of
3 the office.

4 (2) Copies of the report shall be provided to all of the
5 following:

6 (i) The Office of General Counsel.

7 (ii) The Chief Clerk of the Senate.

8 (iii) The Chief Clerk of the House of
9 Representatives.

10 (3) Upon issuance of the report, members of the media
11 and the public shall be promptly advised of the issuance of
12 the report. The report shall be provided to their
13 representatives upon request.

14 Section 8. Professional standards and quality review.

15 (a) Professional standards.--Audits, investigations,
16 inspections and reviews conducted by the office shall conform to
17 professional standards for offices of inspector general
18 promulgated by an association of inspectors general recognized
19 by the Auditor General.

20 (b) Verification.--

21 (1) Audits, investigations, inspections and reviews
22 shall be subject to quality assurance reviews by an
23 association of inspectors general recognized by the Auditor
24 General every three to five years.

25 (2) A copy of the written report resulting from this
26 review shall be furnished to all of the following:

27 (i) The Office of General Counsel.

28 (ii) The Chief Clerk of the Senate.

29 (iii) The Chief Clerk of the House of
30 Representatives.

1 (3) The report shall also be made available to members
2 of the public upon request.

3 Section 9. Auditor General.

4 The Auditor General shall prepare an annual list of
5 recognized associations of inspectors general and submit the
6 list to the Legislative Reference Bureau for publication as a
7 notice in the Pennsylvania Bulletin.

8 Section 10. Current Office of Inspector General.

9 The current Office of Inspector General set forth in 4 Pa.
10 Code Ch. 9 (relating to governmental organization) is abolished.
11 Prior to abolition, the current Office of Inspector General
12 shall cooperate with the office to effectuate transition.

13 Section 20. Effective date.

14 This act shall take effect as follows:

15 (1) The following provisions shall take effect
16 immediately:

17 (i) Section 9.

18 (ii) This section.

19 (2) Section 10 shall take effect upon initial
20 confirmation of the Inspector General under section 4(b)(1).

21 (3) The remainder of this act shall take effect upon
22 publication of the initial notice under section 9.