

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILLNo. **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, BROWNE AND BROOKS, MARCH 20, 2017

AS AMENDED ON SECOND CONSIDERATION, HOUSE OF REPRESENTATIVES,
JULY 8, 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 in the administration of State government agencies is an
25 important responsibility of the Commonwealth.

1 (2) The prevention of waste, fraud, abuse and corruption
2 in the administration of State government depends in part on
3 the development, implementation and enforcement of sound
4 policies and procedures to that end.

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

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

12 (5) The statutory creation of the Office of State
13 Inspector General to conduct investigations, inspections and
14 other reviews in accordance with those professional standards
15 that relate to the fields of investigation in governmental
16 environments is necessary to 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 appoint a State Inspector
7 General who shall serve concurrent with the Governor's term of
8 office. Compensation shall be set by the Executive Board
9 established under section 204.

10 (c) Qualifications.--The State Inspector General shall be
11 selected without regard to political affiliation on the basis of
12 integrity, capability for strong leadership and demonstrated
13 ability in accounting, auditing, financial analysis, law,
14 management analysis, public administration, investigation or
15 criminal justice administration or other appropriate fields.

16 (d) Limitation.--The State Inspector General may not seek
17 election to a political office during his or her tenure as State
18 Inspector General.

19 (e) Removal.--The State Inspector General may be removed by
20 the Governor, INCLUDING for cause.

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

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

24 (1) Make an investigation and report relating to the
25 administration of a program and operation of an executive
26 agency that the State Inspector General determines is
27 necessary. If the State Inspector General determines that a
28 report should be issued, the State Inspector General may
29 consult with the Office of General Counsel or the Attorney
30 General before issuing the report to insure against an

1 adverse impact on a grand jury proceeding or prosecution
2 being conducted by a law enforcement agency.

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

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

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

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

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

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

27 (2) To keep the head of an executive agency and the
28 Governor fully informed about a problem and deficiency
29 relating to the operation or administration of a program or
30 contracts entered into by an executive agency.

1 (3) To provide leadership, coordination and control over
2 satellite Inspector General Offices in a designated executive
3 agency to ensure a coordinated and efficient administration
4 of duties and use of staff. The existing Office of Inspector
5 General in the Department of Transportation shall continue as
6 a satellite Inspector General Office. Each satellite
7 Inspector General Office in an executive agency shall report
8 to and follow the direction of the State Inspector General.

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

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

15 (2) Conduct civil and administrative investigations of a
16 program or operation of an executive agency.

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

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

25 (5) Provide information and evidence that relates to
26 criminal acts discovered during the course of an
27 investigation into an executive agency to appropriate law
28 enforcement officials.

29 (6) Receive and investigate complaints from a source or
30 upon the State Inspector General's own initiative concerning

1 alleged abuses, frauds and service deficiencies, including
2 deficiencies in the operation and maintenance of an executive
3 agency facility.

4 (7) Engage in prevention activities, including, but not
5 limited to, review of legislation, rules, regulations,
6 policies, procedures and transactions, training and
7 education.

8 (8) Refer matters for further civil, criminal and
9 administrative action to appropriate administrative and
10 prosecutorial agencies.

11 (9) Conduct joint investigations and projects with other
12 oversight or law enforcement agencies that are consistent
13 with the powers and duties contained under this article.

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

18 (11) Issue public reports.

19 (12) Maintain information regarding the cost of
20 investigations and cooperate with appropriate administrative
21 and prosecutorial agencies in recovering the costs from
22 nongovernmental entities involved in willful misconduct.

23 (13) Perform other functions necessary to effectuate
24 this article.

25 Section 504-A. Request for information.

26 (a) Duty.--Upon request of the State Inspector General for
27 information or assistance, an executive agency must within 10
28 days furnish the information and assistance to the State
29 Inspector General or an authorized designee.

30 (b) Report.--If information or assistance requested under

1 subsection (a) is, in the judgment of the State Inspector
2 General, unreasonably refused or not provided, the State
3 Inspector General may report the circumstances to the head of
4 the agency and the Office of General Counsel for appropriate
5 action.

6 Section 505-A. Subpoenas and witness fees.

7 (a) Authorization.--In accordance with the powers under
8 section 503-A(a) and duties under section 503-A(c), the State
9 Inspector General may issue a subpoena relating to any matter
10 pertinent to an examination to a person under the State
11 Inspector General's jurisdiction or to an individual or a person
12 receiving services from or through an executive agency. If a
13 person fails or refuses to obey a subpoena, the State Inspector
14 General may petition a court of competent jurisdiction to enter
15 an order compelling the witness to appear and testify or produce
16 documentary evidence. Failure to obey the court order shall be
17 punishable as contempt of court.

18 (b) Form and effect.--A subpoena under subsection (a) shall
19 be in substantially the same form and have the same force and
20 effect as a subpoena issued by a court of common pleas. The
21 State Inspector General shall have the benefit of the process of
22 the appropriate court of common pleas if necessary to enforce a
23 subpoena.

24 (c) Confidentiality.--A subpoena issued under this section
25 must clearly indicate on the face of the subpoena that the
26 subpoena is issued in connection with a confidential proceeding
27 and a breach of confidentiality by the person subpoenaed may
28 result in a civil penalty or misdemeanor.

29 (d) Fees.--Witnesses subpoenaed under this section shall be
30 compensated under 42 Pa.C.S. § 5903 (relating to compensation

1 and expenses of witnesses).

2 Section 506-A. Criminal charges.

3 Notwithstanding any other provision of law, the State
4 Inspector General shall have the power to investigate and may
5 file criminal charges for a violation of any of the following:

6 (1) Section 481 of the act of June 13, 1967 (P.L.31,
7 No.21), known as the Human Services Code.

8 (2) Section 1408 of the Human Services Code.

9 (3) 18 Pa.C.S. § 7313 (relating to buying or exchanging
10 Federal food order coupons, stamps, authorization cards or
11 access devices).

12 (4) 18 Pa.C.S. § 7314 (relating to fraudulent traffic in
13 food orders).

14 Section 507-A. Complaint, disclosure and reprisal.

15 (a) Complaint.--The State Inspector General may receive and
16 investigate a complaint or information concerning the possible
17 existence of an activity in an executive agency constituting any
18 of the following:

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

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

22 (3) A substantial and specific danger to the public
23 health and safety.

24 (b) Disclosure.--No person may take or threaten to take
25 action against an employee as a reprisal for making a complaint
26 or disclosing information to the State Inspector General, except
27 if the complaint was made or the information was disclosed with
28 the knowledge that the complaint or information was false or
29 with willful disregard for the truth or falsity of the complaint
30 or information.

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

7 Section 508-A. Appropriation.

8 The appropriation for the office shall be in a separate line
9 item and shall be under the jurisdiction of the State Inspector
10 General.

11 Section 509-A. Report to General Assembly.

12 By December 31 of each year, the State Inspector General
13 shall issue an annual report to the Senate and the House of
14 Representatives. The annual report shall include, at a minimum,
15 the following:

16 (1) Information relating to investigations undertaken by
17 the office, including the number of cases investigated,
18 categorized by type, with a specific section detailing
19 investigations conducted within the Department of Human
20 Services.

21 (2) An accounting of taxpayer money that was recovered
22 as a result of the work of the office.

23 (3) The monetary value that resulted from fraud
24 prevention activities as a result of the work of the office.

25 (4) Summaries of performance of each bureau within the
26 office.

27 (5) Specific recommendations concerning the improvement
28 of any State program to further reduce waste, fraud and
29 abuse.

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.