
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 896 Session of 2017

INTRODUCED BY FEE, BAKER, CUTLER, GREINER, GROVE, A. HARRIS,
HICKERNELL, KAUFFMAN, LAWRENCE, MENTZER, METCALFE, B. MILLER,
PICKETT, RYAN, WARD, WHEELAND AND ZIMMERMAN, MARCH 20, 2017

REFERRED TO COMMITTEE ON 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 in the administration of State government agencies is an
25 important responsibility of the Commonwealth.

26 (2) The prevention of waste, fraud, abuse and corruption
27 in the administration of State government depends in part on

1 the development, implementation and enforcement of sound
2 policies and procedures to that end.

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

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

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

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

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

21 ARTICLE V-A

22 OFFICE OF STATE INSPECTOR GENERAL

23 Section 501-A. Definitions.

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

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

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 Section 502-A. Office of State Inspector General.

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

4 (b) Appointment.--The Governor shall nominate a State
5 Inspector General who shall serve for a term of six years. The
6 nomination of the State Inspector General shall be confirmed by
7 the Senate by two-thirds of all the members of the Senate. No
8 later than 90 days prior to the end of the term of a State
9 Inspector General, the Governor shall nominate a State Inspector
10 General. Compensation shall be set by the Executive Board
11 established under section 204. The State Inspector General may
12 serve no more than two 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 only for cause.

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

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

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 ensure 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 the Federal Government, an executive agency or a
4 local government agency or a unit of a Federal, State or
5 local government agency.

6 (3) Require and obtain, by written notice from an
7 officer and employee of an executive agency, information,
8 documents, reports, answers, records, accounts, papers and
9 other necessary data and 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 must be employed in
17 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 (6) Issue subpoenas under section 505-A.

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

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

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

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

1 satellite Inspector General Offices in a designated executive
2 agency to ensure 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.--It is the duty of the State Inspector General
9 to:

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 performance measurement system.

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

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

28 (6) Receive and investigate complaints from any source
29 or upon the State Inspector General's own initiative
30 concerning alleged abuses, frauds and service deficiencies,

1 including deficiencies in the operation and maintenance of an
2 executive agency facility.

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

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

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

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

17 (11) Issue public reports.

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

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

24 Section 504-A. Request for information.

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

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

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

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

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

12 (b) Disclosure.--A person may not take or threaten to take
13 action against an employee as a reprisal for making a complaint
14 or disclosing information to the State Inspector General, except
15 if the complaint was made or the information was disclosed with
16 the knowledge that the complaint or information was false or
17 with willful disregard for the truth or falsity of the complaint
18 or information.

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

25 Section 507-A. Appropriation.

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

29 Section 508-A. Complement of office.

30 (a) General rule.--Subject to sufficient funds being

1 appropriated for such purpose, the office shall hire additional
2 employees and the employees shall, for a period of not less than
3 two years, investigate fraud, waste, misconduct and abuse claims
4 from the Department of Human Services and the Department of
5 Health.

6 (b) Number of additional employees.--The number of new
7 employees hired under subsection (a) shall be sufficient to
8 increase by at least 50% the total complement of employees in
9 the Office of Inspector General on March 31, 2016.

10 (c) Report to General Assembly.--

11 (1) Not later than one year after the additional
12 employees are hired under subsection (a), the office shall
13 submit a written report to the Appropriations Committee of
14 the Senate, the Public Health and Welfare Committee of the
15 Senate, the Appropriations Committee of the House of
16 Representatives and the Human Services Committee of the House
17 of Representatives. The report shall include:

18 (i) The number of total investigations addressed by
19 the office, including a breakdown by new and prior
20 employees.

21 (ii) The dollar amount of recovery/cost avoidance
22 per employee, including a breakdown by new and prior
23 employees.

24 (iii) The number of investigations filed with the
25 office that were not addressed.

26 (iv) Any additional cost-saving efforts initiated by
27 the office as a result of additional employees.

28 (2) The report shall be a public record under the act of
29 February 14, 2008 (P.L.6, No.3), known as the Right-to-Know
30 Law.

1 Section 509-A. Report to General Assembly.

2 By December 31 of each year, the State Inspector General
3 shall issue an annual report to the Senate and the House of
4 Representatives. The annual report shall include, at a minimum,
5 the following:

6 (1) Information relating to investigations undertaken by
7 the office, including the number of cases investigated,
8 categorized by type, with a specific section detailing
9 investigations conducted within the Department of Human
10 Services.

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

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

15 (4) Summaries of performance of each bureau within the
16 office.

17 (5) Specific recommendations concerning the improvement
18 of any State program to further reduce waste, fraud and
19 abuse.

20 Section 2. Except as otherwise provided in Article V-A of
21 the act, all activities initiated by the Office of Inspector
22 General in existence on the effective date of this section shall
23 continue and remain in full force and effect and may be
24 completed under Article V-A of the act. Orders, regulations,
25 rules and decisions which were made by the Office of Inspector
26 General in existence on the effective date of this section and
27 which are in effect on the effective date of this section shall
28 remain in full force and effect until revoked, vacated or
29 modified under Article V-A of the act. Contracts, obligations
30 and collective bargaining agreements entered into by the Office

1 of Inspector General in existence on the effective date of this
2 section are not affected nor impaired by the addition of Article
3 V-A of the act.

4 Section 3. This act shall take effect as follows:

5 (1) The addition of section 502-A(b) of the act shall
6 take effect January 16, 2019.

7 (2) The remainder of this act shall take effect in 60
8 days.