



General Assembly

**Amendment**

February Session, 2014

LCO No. 3960

**\*SB0002203960SR0\***

Offered by:

SEN. MCKINNEY, 28<sup>th</sup> Dist.

SEN. FASANO, 34<sup>th</sup> Dist.

To: Subst. Senate Bill No. 22

File No. 602

Cal. No. 394

**"AN ACT CONCERNING THE PREVENTION OF FRAUD IN  
GOVERNMENT PROGRAMS."**

1 After the last section, add the following and renumber sections and  
2 internal references accordingly:

3 "Sec. 501. (NEW) (*Effective October 1, 2014*) (a) For purposes of this  
4 section and sections 502 to 504, inclusive, of this act, "governmental  
5 agency" means a state agency or a quasi-public agency and "state  
6 agency" and "quasi-public agency" have the same meanings as  
7 provided in section 1-79 of the general statutes.

8 (b) There is established an Office of the Inspector General that shall  
9 act to detect and prevent fraud, waste and abuse in the management of  
10 state personnel, in the use and disposition of state property, and in the  
11 collection, disbursement and expenditure of state and federal funds  
12 administered by governmental agencies. The Office of the Inspector  
13 General shall also evaluate the economy, efficiency and effectiveness of  
14 governmental agencies in the performance of their delegated duties

15 and functions.

16 (c) The Inspector General shall be appointed by the Auditors of  
17 Public Accounts in accordance with this subsection. A committee  
18 consisting of the president pro tempore of the Senate, the speaker of  
19 the House of Representatives, the minority leaders of the Senate and  
20 the House of Representatives, the cochairpersons and ranking  
21 members of the joint standing committee of the General Assembly  
22 having cognizance of matters relating to government administration  
23 and the cochairpersons of the Legislative Program Review and  
24 Investigations Committee shall submit to the Auditors of Public  
25 Accounts the names of three candidates for appointment to the  
26 position of Inspector General. The Auditors of Public Accounts shall  
27 appoint one of such candidates to be Inspector General with the advice  
28 and consent of the General Assembly. The auditors, not later than  
29 ninety days after the submission to them by the committee of the  
30 candidates for appointment, shall make such appointment, provided if  
31 the auditors fail to make such appointment within such period, the  
32 committee by majority vote shall make such appointment. The  
33 Inspector General shall be appointed on the basis of integrity and  
34 competence demonstrated in appropriate fields. The Inspector General  
35 shall hold office for a term of five years and until the appointment of a  
36 successor, unless sooner removed for just cause by the Auditors of  
37 Public Accounts. Such cause may include, but not be limited to,  
38 material neglect of duty, gross misconduct or conviction of a felony.

39 (d) The Office of the Inspector General shall be an independent  
40 office within the Joint Committee on Legislative Management for  
41 administrative purposes only.

42 Sec. 502. (NEW) (*Effective October 1, 2014*) (a) The Inspector General  
43 shall establish, within available appropriations, a system for the  
44 coordination of efforts between the Office of the Inspector General and  
45 officials performing similar duties and internal auditing functions  
46 within the various governmental agencies. Such system may include  
47 continuing training programs for professional development, the

48 adoption of standard guidelines and procedures and the organization  
49 of a communications network within the system. The internal auditors  
50 and support staff within the agencies shall remain assigned to such  
51 agencies but shall have their annual internal audit program approved  
52 by the Inspector General.

53 (b) The Inspector General may adopt regulations, in accordance  
54 with chapter 54 of the general statutes, to implement the provisions of  
55 sections 501 to 504, inclusive, of this act. The Inspector General may  
56 employ necessary staff, within available appropriations.

57 Sec. 503. (NEW) (*Effective October 1, 2014*) (a) The Inspector General  
58 shall: (1) Conduct preemptive inspections, inquiries and investigations  
59 relating to programs and operations involving the collection,  
60 administration or expenditure of state funds, the use or disposition of  
61 state owned or leased property or the management practices and  
62 regulatory or statutory compliance of state agencies; (2) have access to  
63 all records, data and material maintained by or available to any  
64 governmental agency; and (3) have access to all records, data and  
65 material maintained by or available to any person or organization  
66 involved in the collection, expenditure or administration of state  
67 funds, control of state owned or leased property or management of  
68 state employees.

69 (b) The Inspector General may apply to the Superior Court for a  
70 subpoena to compel the attendance of such witnesses or the  
71 production of such books, papers, records or documents as may be  
72 necessary in order to obtain information that is not otherwise available  
73 and that is needed in the performance of the Inspector General's  
74 duties. The court shall, before issuing such subpoena, provide  
75 adequate opportunity for the Inspector General and the party against  
76 whom the subpoena is requested to be heard. No such subpoena shall  
77 be issued unless the court certifies that the attendance of such witness  
78 or the production of such books, papers, records or documents is  
79 reasonably necessary for the performance of the Inspector General's  
80 duties and that the Inspector General has made reasonable efforts to

81 secure such attendance or such books, papers, records or documents  
82 without recourse to compulsory process.

83 Sec. 504. (NEW) (*Effective October 1, 2014*) (a) The Inspector General  
84 may make recommendations to the Governor, the General Assembly  
85 and the Legislative Program Review and Investigations Committee  
86 concerning the prevention and detection of fraud, waste and abuse,  
87 including recommendations concerning legislation and regulations or  
88 the coordination of preventive measures by governmental and  
89 nongovernmental entities. The Inspector General may assist or request  
90 assistance from any governmental agency, state employee or person or  
91 organization collecting or expending state funds or controlling state  
92 owned or leased property.

93 (b) The Inspector General shall report findings of fact along with  
94 any recommendations: (1) To the Chief State's Attorney or the Office of  
95 State Ethics, when the Inspector General has a reasonable belief that a  
96 state law has been or is being violated; (2) to the Attorney General,  
97 when the Inspector General has a reasonable belief that civil recovery  
98 proceedings are appropriate; and (3) to the United States Attorney,  
99 when the Inspector General has a reasonable belief that a federal law  
100 has been or is being violated or when civil recovery is appropriate.

101 (c) On or before October 31, 2015, and annually thereafter, the  
102 Inspector General shall submit, in accordance with the provisions of  
103 section 11-4a of the general statutes, a report concerning the activities  
104 of the Office of the Inspector General to the Governor, the joint  
105 standing committees of the General Assembly having cognizance of  
106 matters relating to appropriations and government administration and  
107 the Legislative Program Review and Investigations Committee. The  
108 Inspector General may make such other reports as the Inspector  
109 General deems appropriate.

110 (d) All records of the Office of the Inspector General relating to  
111 actual or potential inspections, or inquiries or investigations shall be  
112 confidential and shall not be public records under the Freedom of

113 Information Act, as defined in section 1-200 of the general statutes,  
114 until such time as all such inspections, inquiries or investigations have  
115 been concluded and all criminal and civil actions arising from the  
116 records have been finally adjudicated or otherwise settled or to such  
117 extent as may be deemed appropriate by the Inspector General in the  
118 performance of the Inspector General's duties, whichever is earlier.  
119 Records that are otherwise public documents shall not be deemed  
120 confidential solely because they have been transferred to the custody  
121 of the Inspector General. Where there are statutory requirements of  
122 confidentiality with regard to such records, books, data, files and other  
123 material printed or otherwise, maintained by a governmental agency,  
124 such requirements of confidentiality and penalties for the violation of  
125 such requirements shall apply to the Inspector General and to the  
126 Inspector General's employees in the same manner and to the same  
127 extent as such requirements of confidentiality and penalties apply to  
128 such governmental agency.

129 Sec. 505. Subsection (e) of section 2-90 of the 2014 supplement to the  
130 general statutes is repealed and the following is substituted in lieu  
131 thereof (*Effective October 1, 2014*):

132 (e) If the Auditors of Public Accounts discover, or if it should come  
133 to their knowledge, that any unauthorized, illegal, irregular or unsafe  
134 handling or expenditure of state funds or any breakdown in the  
135 safekeeping of any resources of the state has occurred or is  
136 contemplated, they shall forthwith present the facts to the Governor,  
137 the State Comptroller, the clerk of each house of the General Assembly,  
138 the Inspector General, the Legislative Program Review and  
139 Investigations Committee and the Attorney General. Any Auditor of  
140 Public Accounts neglecting to make such a report, or any agent of the  
141 auditors neglecting to report to the Auditors of Public Accounts any  
142 such matter discovered by [him] such auditor or agent or coming to his  
143 or her knowledge shall be fined not more than one hundred dollars or  
144 imprisoned not more than six months or both.

145 Sec. 506. Section 4-61dd of the general statutes, as amended by

146 section 17 of this act, is repealed and the following is substituted in lieu  
147 thereof (*Effective October 1, 2014*):

148 (a) Any person having knowledge of any matter involving  
149 corruption, unethical practices, violation of state laws or regulations,  
150 mismanagement, gross waste of funds, abuse of authority or danger to  
151 the public safety occurring in any state department or agency or any  
152 quasi-public agency, as defined in section 1-120, or any person having  
153 knowledge of any matter involving corruption, violation of state or  
154 federal laws or regulations, gross waste of funds, abuse of authority or  
155 danger to the public safety occurring in any large state contract, may  
156 transmit all facts and information in such person's possession  
157 concerning such matter to the [Auditors of Public Accounts. The  
158 Auditors of Public Accounts] Inspector General. The Inspector General  
159 shall review such matter and report [their] his or her findings and any  
160 recommendations to the Attorney General. Upon receiving such a  
161 report, the Attorney General shall make such investigation as the  
162 Attorney General deems proper regarding such report and any other  
163 information that may be reasonably derived from such report. Prior to  
164 conducting an investigation of any information that may be reasonably  
165 derived from such report, the Attorney General shall consult with the  
166 [Auditors of Public Accounts] Inspector General concerning the  
167 relationship of such additional information to the report that has been  
168 issued pursuant to this subsection. Any such subsequent investigation  
169 deemed appropriate by the Attorney General shall only be conducted  
170 with the concurrence and assistance of the [Auditors of Public  
171 Accounts] Inspector General. At the request of the Attorney General or  
172 on [their] his or her own initiative, the [auditors] Inspector General  
173 shall assist in the investigation.

174 (b) (1) The [Auditors of Public Accounts] Inspector General may  
175 reject any complaint received pursuant to subsection (a) of this section  
176 if the [Auditors of Public Accounts determine] Inspector General  
177 determines one or more of the following:

178 (A) There are other available remedies that the complainant can

179 reasonably be expected to pursue;

180 (B) The complaint is better suited for investigation or enforcement  
181 by another state agency;

182 (C) The complaint is trivial, frivolous, vexatious or not made in  
183 good faith;

184 (D) Other complaints have greater priority in terms of serving the  
185 public good;

186 (E) The complaint is not timely or is too long delayed to justify  
187 further investigation; or

188 (F) The complaint could be handled more appropriately as part of  
189 an ongoing or scheduled regular audit.

190 (2) If the [Auditors of Public Accounts reject] Inspector General  
191 rejects a complaint pursuant to subdivision (1) of this subsection, the  
192 [Auditors of Public Accounts] Inspector General shall provide a report  
193 to the Attorney General setting out the basis for the rejection.

194 (3) If at any time the [Auditors of Public Accounts determine]  
195 Inspector General determines that a complaint is more appropriately  
196 investigated by another state agency, the [Auditors of Public Accounts]  
197 Inspector General shall refer the complaint to such agency. The  
198 investigating agency shall provide a status report regarding the  
199 referred complaint to the [Auditors of Public Accounts] Inspector  
200 General upon request.

201 (c) The Attorney General may summon witnesses, require the  
202 production of any necessary books, papers or other documents and  
203 administer oaths to witnesses, where necessary, for the purpose of an  
204 investigation pursuant to this section or for the purpose of  
205 investigating a suspected violation of subsection (a) of section 2 of this  
206 act until such time as the Attorney General files a civil action pursuant  
207 to section 3 of this act. Upon the conclusion of the investigation, the

208 Attorney General shall where necessary, report any findings to the  
209 Governor, or in matters involving criminal activity, to the Chief State's  
210 Attorney. In addition to the exempt records provision of section 1-210,  
211 the [Auditors of Public Accounts] Inspector General and the Attorney  
212 General shall not, after receipt of any information from a person under  
213 the provisions of this section or sections 3 to 7, inclusive, of this act  
214 disclose the identity of such person without such person's consent  
215 unless the [Auditors of Public Accounts] Inspector General or the  
216 Attorney General determines that such disclosure is unavoidable, and  
217 may withhold records of such investigation, during the pendency of  
218 the investigation.

219 (d) (1) No state officer or employee, as defined in section 4-141, no  
220 quasi-public agency officer or employee, no officer or employee of a  
221 large state contractor and no appointing authority shall take or  
222 threaten to take any personnel action against any state or quasi-public  
223 agency employee or any employee of a large state contractor in  
224 retaliation for (A) such employee's or contractor's disclosure of  
225 information to (i) an employee of the [Auditors of Public Accounts]  
226 Inspector General or the Attorney General under the provisions of  
227 subsection (a) of this section; (ii) an employee of the state agency or  
228 quasi-public agency where such state officer or employee is employed;  
229 (iii) an employee of a state agency pursuant to a mandated reporter  
230 statute or pursuant to subsection (b) of section 17a-28; or (iv) in the  
231 case of a large state contractor, an employee of the contracting state  
232 agency concerning information involving the large state contract; or  
233 (B) such employee's testimony or assistance in any proceeding under  
234 this section.

235 (2) (A) Not later than ninety days after learning of the specific  
236 incident giving rise to a claim that a personnel action has been  
237 threatened or has occurred in violation of subdivision (1) of this  
238 subsection, a state or quasi-public agency employee, an employee of a  
239 large state contractor or the employee's attorney may file a complaint  
240 against the state agency, quasi-public agency, large state contractor or



241 appointing authority concerning such personnel action with the Chief  
242 Human Rights Referee designated under section 46a-57. Such  
243 complaint may be amended if an additional incident giving rise to a  
244 claim under this subdivision occurs subsequent to the filing of the  
245 original complaint. The Chief Human Rights Referee shall assign the  
246 complaint to a human rights referee appointed under section 46a-57,  
247 who shall conduct a hearing and issue a decision concerning whether  
248 the officer or employee taking or threatening to take the personnel  
249 action violated any provision of this section. The human rights referee  
250 may order a state agency or quasi-public agency to produce (i) an  
251 employee of such agency or quasi-public agency to testify as a witness  
252 in any proceeding under this subdivision, or (ii) books, papers or other  
253 documents relevant to the complaint, without issuing a subpoena. If  
254 such agency or quasi-public agency fails to produce such witness,  
255 books, papers or documents, not later than thirty days after such order,  
256 the human rights referee may consider such failure as supporting  
257 evidence for the complainant. If, after the hearing, the human rights  
258 referee finds a violation, the referee may award the aggrieved  
259 employee reinstatement to the employee's former position, back pay  
260 and reestablishment of any employee benefits for which the employee  
261 would otherwise have been eligible if such violation had not occurred,  
262 reasonable attorneys' fees, and any other damages. For the purposes of  
263 this subsection, such human rights referee shall act as an independent  
264 hearing officer. The decision of a human rights referee under this  
265 subsection may be appealed by any person who was a party at such  
266 hearing, in accordance with the provisions of section 4-183.

267 (B) The Chief Human Rights Referee shall adopt regulations, in  
268 accordance with the provisions of chapter 54, establishing the  
269 procedure for filing complaints and noticing and conducting hearings  
270 under subparagraph (A) of this subdivision.

271 (3) As an alternative to the provisions of subdivision (2) of this  
272 subsection: (A) A state or quasi-public agency employee who alleges  
273 that a personnel action has been threatened or taken may file an appeal

274 not later than ninety days after learning of the specific incident giving  
275 rise to such claim with the Employees' Review Board under section 5-  
276 202, or, in the case of a state or quasi-public agency employee covered  
277 by a collective bargaining contract, in accordance with the procedure  
278 provided by such contract; or (B) an employee of a large state  
279 contractor alleging that such action has been threatened or taken may,  
280 after exhausting all available administrative remedies, bring a civil  
281 action in accordance with the provisions of subsection (c) of section 31-  
282 51m.

283 (4) In any proceeding under subdivision (2) or (3) of this subsection  
284 concerning a personnel action taken or threatened against any state or  
285 quasi-public agency employee or any employee of a large state  
286 contractor, which personnel action occurs not later than two years after  
287 the employee first transmits facts and information concerning a matter  
288 under subsection (a) of this section or discloses information under  
289 subdivision (1) of this subsection to the [Auditors of Public Accounts]  
290 Inspector General, the Attorney General or an employee of a state  
291 agency or quasi-public agency, as applicable, there shall be a  
292 rebuttable presumption that the personnel action is in retaliation for  
293 the action taken by the employee under subsection (a) of this section or  
294 subdivision (1) of this subsection.

295 (5) If a state officer or employee, as defined in section 4-141, a quasi-  
296 public agency officer or employee, an officer or employee of a large  
297 state contractor or an appointing authority takes or threatens to take  
298 any action to impede, fail to renew or cancel a contract between a state  
299 agency and a large state contractor, or between a large state contractor  
300 and its subcontractor, in retaliation for the disclosure of information  
301 pursuant to subsection (a) of this section or subdivision (1) of this  
302 subsection to any agency listed in subdivision (1) of this subsection,  
303 such affected agency, contractor or subcontractor may, not later than  
304 ninety days after learning of such action, threat or failure to renew,  
305 bring a civil action in the superior court for the judicial district of  
306 Hartford to recover damages, attorney's fees and costs.

307 (e) Any employee of a state or quasi-public agency or large state  
308 contractor, who is found by the [Auditors of Public Accounts]  
309 Inspector General, the Attorney General, a human rights referee or the  
310 Employees' Review Board to have knowingly and maliciously made  
311 false charges under subsection (a) of this section, shall be subject to  
312 disciplinary action by such employee's appointing authority up to and  
313 including dismissal. In the case of a state or quasi-public agency  
314 employee, such action shall be subject to appeal to the Employees'  
315 Review Board in accordance with section 5-202, or in the case of state  
316 or quasi-public agency employees included in collective bargaining  
317 contracts, the procedure provided by such contracts.

318 (f) On or before September first, annually, the [Auditors of Public  
319 Accounts] Inspector General shall submit, in accordance with the  
320 provisions of section 11-4a, to the clerk of each house of the General  
321 Assembly a report indicating the number of matters for which facts  
322 and information were transmitted to the [auditors] Inspector General  
323 pursuant to this section during the preceding state fiscal year and the  
324 disposition of each such matter.

325 (g) Each contract between a state or quasi-public agency and a large  
326 state contractor shall provide that, if an officer, employee or  
327 appointing authority of a large state contractor takes or threatens to  
328 take any personnel action against any employee of the contractor in  
329 retaliation for such employee's disclosure of information to any  
330 employee of the contracting state or quasi-public agency, [or] the  
331 [Auditors of Public Accounts] Inspector General or the Attorney  
332 General under the provisions of subsection (a) or subdivision (1) of  
333 subsection (d) of this section, the contractor shall be liable for a civil  
334 penalty of not more than five thousand dollars for each offense, up to a  
335 maximum of twenty per cent of the value of the contract. Each  
336 violation shall be a separate and distinct offense and in the case of a  
337 continuing violation each calendar day's continuance of the violation  
338 shall be deemed to be a separate and distinct offense. The executive  
339 head of the state or quasi-public agency may request the Attorney

340 General to bring a civil action in the superior court for the judicial  
 341 district of Hartford to seek imposition and recovery of such civil  
 342 penalty.

343 (h) Each state agency or quasi-public agency shall post a notice of  
 344 the provisions of this section relating to state employees and quasi-  
 345 public agency employees in a conspicuous place that is readily  
 346 available for viewing by employees of such agency or quasi-public  
 347 agency. Each large state contractor shall post a notice of the provisions  
 348 of this section relating to large state contractors in a conspicuous place  
 349 which is readily available for viewing by the employees of the  
 350 contractor.

351 (i) No person who, in good faith, discloses information in  
 352 accordance with the provisions of this section shall be liable for any  
 353 civil damages resulting from such good faith disclosure.

354 (j) As used in this section:

355 (1) "Large state contract" means a contract between an entity and a  
 356 state or quasi-public agency, having a value of five million dollars or  
 357 more; and

358 (2) "Large state contractor" means an entity that has entered into a  
 359 large state contract with a state or quasi-public agency."

This act shall take effect as follows and shall amend the following sections:		
Sec. 501	October 1, 2014	New section
Sec. 502	October 1, 2014	New section
Sec. 503	October 1, 2014	New section
Sec. 504	October 1, 2014	New section
Sec. 505	October 1, 2014	2-90(e)
Sec. 506	October 1, 2014	4-61dd