

HOUSE BILL 437

F3
HB 194/19 – W&M

3lr0631

By: **Prince George’s County Delegation**

Introduced and read first time: January 30, 2023

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Prince George’s County Public Schools – Office of Integrity and Compliance –**
3 **Establishment**

4 **PG 501–23**

5 FOR the purpose of establishing the Office of Integrity and Compliance in the Prince
6 George’s County public school system to evaluate, examine, investigate, report, and
7 make recommendations on certain issues related to the Prince George’s County
8 public school system’s effectiveness, productivity, efficiency, accountability, internal
9 controls, and compliance with applicable laws, policies, and standards; requiring the
10 County Council of Prince George’s County to select and appoint an Integrity and
11 Compliance Officer to publish certain information on the Office of Integrity and
12 Compliance’s website, establish and follow certain confidentiality procedures, report
13 certain violations, coordinate with the Prince George’s County public school system
14 to develop a certain work plan, administer an oath or affirmation, take an affidavit
15 or deposition, issue a subpoena, and submit an annual budget for the Office of
16 Integrity and Compliance to the Prince George’s County Board of Education;
17 requiring an employee, official, or vendor of the Prince George’s County public school
18 system to provide certain information to the Integrity and Compliance Officer;
19 prohibiting a Prince George’s County public school system employee, vendor, or
20 employee of a vendor from being retaliated against, penalized, or threatened with
21 retaliation for certain actions; authorizing a court of competent jurisdiction to compel
22 compliance with a certain order or subpoena or compel testimony or the production
23 of evidence; requiring the county board to include in its annual budget proposal
24 certain amounts for the Office of Integrity and Compliance; transferring the
25 functions, powers, and duties of the Office of Internal Audit of the Prince George’s
26 County public school system to the Office of Integrity and Compliance on a certain
27 date; and generally relating to the establishment of the Office of Integrity and
28 Compliance in the Prince George’s County public school system.

29 BY adding to

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Article – Education
2 Section 4–404
3 Annotated Code of Maryland
4 (2022 Replacement Volume)

5 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
6 That the Laws of Maryland read as follows:

7 **Article – Education**

8 **4–404.**

9 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
10 INDICATED.

11 (2) (I) “ABUSE” MEANS AN EMPLOYEE’S INTENTIONAL
12 MISCONDUCT OR MISUSE OF AUTHORITY OR POSITION:

13 1. INVOLVING PROPERTY OR FUNDS OF THE LOCAL
14 SCHOOL SYSTEM THAT IS IMPROPER OR DEFICIENT WHEN COMPARED TO CONDUCT
15 A PRUDENT PERSON WOULD CONSIDER REASONABLE UNDER THE SAME FACTS AND
16 CIRCUMSTANCES; OR

17 2. FOR THE PURPOSE OF FURTHERING IMPROPERLY
18 THE PRIVATE INTERESTS OF THE EMPLOYEE, A FAMILY MEMBER, OR A CLOSE
19 PERSONAL OR BUSINESS ASSOCIATE.

20 (II) “ABUSE” INCLUDES:

21 1. THEFT OR MISAPPROPRIATION OF PROPERTY OR
22 FUNDS OF THE LOCAL SCHOOL SYSTEM; AND

23 2. DESTRUCTION OR ALTERATION OF OFFICIAL
24 RECORDS.

25 (3) (I) “FRAUD” MEANS AN INTENTIONAL ACT OR ATTEMPT TO
26 OBTAIN SOMETHING OF VALUE FROM THE LOCAL SCHOOL SYSTEM OR ANOTHER
27 PERSON THROUGH WILLFUL MISREPRESENTATION.

28 (II) “FRAUD” INCLUDES A WILLFUL FALSE REPRESENTATION
29 OF A MATERIAL FACT, WHETHER BY WORDS OR BY CONDUCT, BY FALSE OR
30 MISLEADING ALLEGATIONS, OR BY CONCEALMENT OF THAT WHICH SHOULD HAVE
31 BEEN DISCLOSED, THAT CAUSES THE LOCAL SCHOOL SYSTEM TO ACT, OR FAIL TO
32 ACT, TO THE DETRIMENT OF THE INTEREST OF THE LOCAL SCHOOL SYSTEM.

1 (4) "LOCAL SCHOOL SYSTEM" MEANS THE PRINCE GEORGE'S
2 COUNTY PUBLIC SCHOOL SYSTEM.

3 (5) "OFFICE" MEANS THE OFFICE OF INTEGRITY AND COMPLIANCE
4 IN THE LOCAL SCHOOL SYSTEM.

5 (6) "VENDOR" MEANS A PARTY OBLIGATED BY CONTRACT OR
6 SUBCONTRACT TO PROVIDE GOODS, SERVICES, OR PROPERTY TO THE LOCAL
7 SCHOOL SYSTEM FOR CONSIDERATION, INCLUDING CONTRACTS AND
8 SUBCONTRACTS FOR CONSTRUCTION AND PROFESSIONAL SERVICES RELATED TO
9 CONSTRUCTION.

10 (7) (I) "WASTE" MEANS AN INAPPROPRIATE ACT OR OMISSION BY
11 AN EMPLOYEE WITH CONTROL OVER OR ACCESS TO LOCAL SCHOOL SYSTEM
12 PROPERTY OR FUNDS THAT UNREASONABLY DEPRIVES THE LOCAL SCHOOL SYSTEM
13 OF VALUE.

14 (II) "WASTE" INCLUDES MISMANAGEMENT OR OTHER
15 UNINTENTIONAL CONDUCT THAT IS DEFICIENT OR IMPROPER WHEN COMPARED TO
16 CONDUCT THAT A PRUDENT PERSON WOULD CONSIDER NECESSARY TO PRESERVE
17 THE VALUE OF PROPERTY OR FUNDS OF THE LOCAL SCHOOL SYSTEM UNDER THE
18 SAME FACTS AND CIRCUMSTANCES.

19 (B) THIS SECTION APPLIES ONLY IN PRINCE GEORGE'S COUNTY.

20 (C) (1) THERE IS AN OFFICE OF INTEGRITY AND COMPLIANCE IN THE
21 LOCAL SCHOOL SYSTEM.

22 (2) (I) THE COUNTY COUNCIL OF PRINCE GEORGE'S COUNTY
23 SHALL SELECT AND APPOINT AN INTEGRITY AND COMPLIANCE OFFICER.

24 (II) THE COUNTY COUNCIL SHALL SELECT THE INTEGRITY AND
25 COMPLIANCE OFFICER SOLELY ON THE BASIS OF PROFESSIONAL ABILITY AND
26 PERSONAL INTEGRITY, WITHOUT REGARD TO POLITICAL AFFILIATION.

27 (III) THE INTEGRITY AND COMPLIANCE OFFICER MUST BE
28 QUALIFIED PROFESSIONALLY BY EXPERIENCE OR EDUCATION IN AUDITING,
29 GOVERNMENT OPERATIONS, OR FINANCIAL MANAGEMENT.

30 (D) (1) THE TERM OF THE INTEGRITY AND COMPLIANCE OFFICER IS 4
31 YEARS BEGINNING ON THE DATE OF APPOINTMENT.

32 (2) AN INDIVIDUAL MAY NOT SERVE AS INTEGRITY AND COMPLIANCE
33 OFFICER FOR MORE THAN THREE TERMS.

1 **(3) THE INTEGRITY AND COMPLIANCE OFFICER CONTINUES TO**
2 **SERVE UNTIL A SUCCESSOR IS APPOINTED.**

3 **(4) IF A VACANCY OCCURS FOR THE INTEGRITY AND COMPLIANCE**
4 **OFFICER, THE COUNTY COUNCIL SHALL APPOINT AN INTERIM INTEGRITY AND**
5 **COMPLIANCE OFFICER TO SERVE FOR THE REMAINDER OF THE UNEXPIRED TERM.**

6 **(5) THE COUNTY COUNCIL MAY REMOVE THE INTEGRITY AND**
7 **COMPLIANCE OFFICER ONLY THROUGH A MAJORITY VOTE OF THE COUNTY**
8 **COUNCIL FOR NEGLECT OF DUTY, MALFEASANCE, CONVICTION OF A FELONY, OR**
9 **OTHER GOOD CAUSE.**

10 **(6) THE INTEGRITY AND COMPLIANCE OFFICER SHALL DISCHARGE**
11 **THE DUTIES OF OFFICE ON A FULL-TIME BASIS AND WITH NO SECONDARY**
12 **EMPLOYMENT OF ANY NATURE DURING THE INTEGRITY AND COMPLIANCE**
13 **OFFICER'S TERM.**

14 **(E) (1) THE OFFICE SHALL:**

15 **(I) ASSIST THE COUNTY COUNCIL AND THE LOCAL SCHOOL**
16 **SYSTEM BY PROVIDING INDEPENDENT EVALUATION AND RECOMMENDATIONS**
17 **REGARDING OPPORTUNITIES TO:**

18 1. **PRESERVE THE LOCAL SCHOOL SYSTEM'S**
19 **REPUTATION; AND**

20 2. **IMPROVE THE EFFECTIVENESS, PRODUCTIVITY, OR**
21 **EFFICIENCY OF LOCAL SCHOOL SYSTEM PROGRAMS, POLICIES, PRACTICES, AND**
22 **OPERATIONS;**

23 **(II) ENSURE PUBLIC ACCOUNTABILITY BY PREVENTING,**
24 **INVESTIGATING, AND REPORTING INSTANCES OF FRAUD, WASTE, AND ABUSE OF**
25 **PROPERTY OR FUNDS OF THE LOCAL SCHOOL SYSTEM;**

26 **(III) EXAMINE, EVALUATE, AND REPORT ON THE ADEQUACY AND**
27 **EFFECTIVENESS OF THE SYSTEMS OF INTERNAL CONTROLS AND THEIR RELATED**
28 **ACCOUNTING, FINANCIAL, TECHNOLOGY, AND OPERATIONAL POLICIES; AND**

29 **(IV) REPORT NONCOMPLIANCE WITH AND PROPOSE WAYS TO**
30 **IMPROVE EMPLOYEE COMPLIANCE WITH APPLICABLE LAW, POLICY, AND ETHICAL**
31 **STANDARDS OF CONDUCT.**

32 **(2) IN DEVELOPING RECOMMENDATIONS, THE OFFICE MAY:**

1 (I) CONDUCT ADMINISTRATIVE INVESTIGATIONS, BUDGETARY
2 ANALYSES, AND FINANCIAL, MANAGEMENT, OR PERFORMANCE AUDITS AND SIMILAR
3 REVIEWS;

4 (II) PROVIDE MANAGEMENT ADVISORIES; AND

5 (III) UTILIZE THE ASSISTANCE FROM ANY OTHER GOVERNMENT
6 AGENCY OR PRIVATE PARTY TO COMPLETE A PROJECT INITIATED BY THE OFFICE.

7 (3) WHEN APPLICABLE, THE INTEGRITY AND COMPLIANCE OFFICER
8 SHALL COMPLY WITH GENERALLY ACCEPTED GOVERNMENT AUDITING STANDARDS.

9 (4) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS
10 PARAGRAPH, THE INTEGRITY AND COMPLIANCE OFFICER SHALL PUBLISH ON THE
11 OFFICE'S WEBSITE, IN A READILY AVAILABLE LOCATION:

12 1. PERIODIC REPORTS THAT SUMMARIZE THE
13 ACTIVITIES, FINDINGS, RECOMMENDATIONS, AND ACCOMPLISHMENTS OF THE
14 OFFICE; AND

15 2. ANY OFFICIAL WRITTEN COMMENTS OR RESPONSES
16 OFFERED BY THE LOCAL SCHOOL SYSTEM ADMINISTRATION WITH ANY REPORT
17 PUBLISHED BY THE OFFICE.

18 (II) THE INTEGRITY AND COMPLIANCE OFFICER:

19 1. MAY NOT DISCLOSE ANY RECORD, REPORT, OR
20 RELATED INFORMATION THAT IS PROTECTED FROM DISCLOSURE UNDER THE
21 PUBLIC INFORMATION ACT;

22 2. MAY PROVIDE AN ORAL REPORT IF APPROPRIATE
23 UNDER GENERALLY ACCEPTED GOVERNMENT AUDITING STANDARDS; AND

24 3. SHALL ESTABLISH AND FOLLOW PROCEDURES FOR
25 SAFEGUARDING THE IDENTITY OF CONFIDENTIAL SOURCES AND PROTECTING
26 PRIVILEGED AND CONFIDENTIAL INFORMATION.

27 (5) IF REASONABLE GROUNDS EXIST TO BELIEVE THAT A SERIOUS
28 VIOLATION OF FEDERAL, STATE, OR LOCAL LAW HAS OCCURRED, THE INTEGRITY
29 AND COMPLIANCE OFFICER SHALL REPORT THE ALLEGATION TO:

30 (I) AN APPROPRIATE LAW ENFORCEMENT AGENCY;

1 (II) THE STATE ETHICS COMMISSION; OR

2 (III) ANY OTHER AGENCY WITH JURISDICTION TO ENFORCE THE
3 LAW.

4 (F) (1) THE INTEGRITY AND COMPLIANCE OFFICER SHALL COORDINATE
5 WITH THE LOCAL SCHOOL SYSTEM TO DEVELOP A WRITTEN WORK PLAN AND
6 ESTABLISH PERIODIC GOALS AND PRIORITIES FOR THE OFFICE BASED ON AN
7 ASSESSMENT OF RELATIVE RISKS.

8 (2) IN DEVELOPING THE WORK PLAN, THE INTEGRITY AND
9 COMPLIANCE OFFICER SHALL TAKE INTO CONSIDERATION REQUESTS FROM:

10 (I) OFFICERS, ADMINISTRATORS, AND EMPLOYEES OF THE
11 LOCAL SCHOOL SYSTEM;

12 (II) ELECTED OFFICIALS; AND

13 (III) MEMBERS OF THE PUBLIC.

14 (3) THE INTEGRITY AND COMPLIANCE OFFICER SHALL MAKE THE
15 WRITTEN WORK PLAN AVAILABLE TO THE PUBLIC, SUBJECT TO THE PUBLIC
16 INFORMATION ACT.

17 (G) (1) (I) ON REQUEST FROM THE INTEGRITY AND COMPLIANCE
18 OFFICER, AN EMPLOYEE OR OFFICIAL OF THE LOCAL SCHOOL SYSTEM SHALL
19 PROVIDE PROMPTLY TO THE INTEGRITY AND COMPLIANCE OFFICER ANY
20 AVAILABLE DOCUMENT OR OTHER INFORMATION CONCERNING THE LOCAL SCHOOL
21 SYSTEM'S OPERATIONS, BUDGET, PROGRAMS, OR VENDOR CONTRACTS.

22 (II) 1. THE INTEGRITY AND COMPLIANCE OFFICER SHALL
23 NOTIFY THE COUNTY BOARD AND THE CHIEF EXECUTIVE OFFICER IF ANY
24 EMPLOYEE OR OFFICIAL OF THE LOCAL SCHOOL SYSTEM FAILS TO PROVIDE ANY
25 INFORMATION OR DOCUMENT REQUESTED UNDER THIS PARAGRAPH WITH
26 REASONABLE PROMPTNESS.

27 2. THE COUNTY BOARD AND THE CHIEF EXECUTIVE
28 OFFICER SHALL TAKE APPROPRIATE ADMINISTRATIVE ACTION TO PRODUCE LOCAL
29 SCHOOL SYSTEM COMPLIANCE WITH A PENDING REQUEST FOR INFORMATION BY
30 THE INTEGRITY AND COMPLIANCE OFFICER.

31 (2) (I) ON REQUEST FROM THE INTEGRITY AND COMPLIANCE
32 OFFICER, A VENDOR OF THE LOCAL SCHOOL SYSTEM SHALL PROVIDE PROMPTLY TO
33 THE INTEGRITY AND COMPLIANCE OFFICER ANY AVAILABLE DOCUMENT OR OTHER

1 INFORMATION CONCERNING ANY LOCAL SCHOOL SYSTEM VENDOR CONTRACT,
2 INCLUDING DOCUMENTS RELATED TO THE PROCUREMENT OF THE CONTRACT.

3 (II) 1. THE INTEGRITY AND COMPLIANCE OFFICER SHALL
4 NOTIFY THE COUNTY BOARD, THE CHIEF EXECUTIVE OFFICER, AND THE LOCAL
5 SCHOOL SYSTEM IF ANY VENDOR FAILS TO PROVIDE ANY INFORMATION OR
6 DOCUMENT REQUESTED UNDER THIS PARAGRAPH WITH REASONABLE
7 PROMPTNESS.

8 2. THE COUNTY BOARD AND THE CHIEF EXECUTIVE
9 OFFICER SHALL TAKE APPROPRIATE ADMINISTRATIVE OR CIVIL ACTION TO
10 PRODUCE VENDOR COMPLIANCE WITH A PENDING REQUEST FOR INFORMATION BY
11 THE INTEGRITY AND COMPLIANCE OFFICER.

12 (H) (1) EACH LOCAL SCHOOL SYSTEM EMPLOYEE SHOULD REPORT ANY
13 FRAUD, WASTE, OR ABUSE TO THE OFFICE.

14 (2) A LOCAL SCHOOL SYSTEM EMPLOYEE, VENDOR, OR EMPLOYEE OF
15 ANY VENDOR MAY NOT BE RETALIATED AGAINST OR PENALIZED, OR THREATENED
16 WITH RETALIATION OR PENALTY, FOR PROVIDING INFORMATION TO, COOPERATING
17 WITH, OR IN ANY WAY ASSISTING THE INTEGRITY AND COMPLIANCE OFFICER IN
18 CONNECTION WITH ANY ACTIVITY AUTHORIZED BY THIS SECTION.

19 (3) THE INTEGRITY AND COMPLIANCE OFFICER MAY NOT DISCLOSE
20 THE IDENTITY OF A PERSON THAT REPORTS AN ALLEGATION OF FRAUD, WASTE, OR
21 ABUSE UNLESS:

22 (I) THE REPORTING PERSON CONSENTS TO DISCLOSURE OF
23 THE PERSON'S IDENTITY;

24 (II) DISCLOSURE IS REASONABLY NECESSARY TO COMPLETE AN
25 AUDIT OR INVESTIGATION; OR

26 (III) ANOTHER PERSON IS LEGALLY ENTITLED TO DISCLOSURE
27 OF THE IDENTITY OF THE REPORTING PERSON.

28 (I) (1) THE INTEGRITY AND COMPLIANCE OFFICER MAY ADMINISTER AN
29 OATH OR AFFIRMATION OR TAKE AN AFFIDAVIT FROM ANY PERSON IF NECESSARY
30 TO PERFORM THE DUTIES UNDER THIS SECTION.

31 (2) THE INTEGRITY AND COMPLIANCE OFFICER MAY ADMINISTER AN
32 OATH AND TAKE A DEPOSITION AND OTHER TESTIMONY FOR THE PURPOSE OF
33 INVESTIGATING FRAUD, WASTE, OR ABUSE WITHIN THE LOCAL SCHOOL SYSTEM.

1 **(3) THE INTEGRITY AND COMPLIANCE OFFICER MAY SUBPOENA ANY**
2 **PERSON OR EVIDENCE FOR THE PURPOSE OF INVESTIGATING FRAUD, WASTE, OR**
3 **ABUSE WITHIN THE LOCAL SCHOOL SYSTEM.**

4 **(4) IF A PERSON FAILS TO COMPLY WITH A LAWFUL ORDER OR**
5 **SUBPOENA ISSUED UNDER THIS SUBSECTION, ON PETITION OF THE INTEGRITY AND**
6 **COMPLIANCE OFFICER, A COURT OF COMPETENT JURISDICTION MAY COMPEL:**

7 **(I) COMPLIANCE WITH THE ORDER OR SUBPOENA; OR**

8 **(II) TESTIMONY OR THE PRODUCTION OF EVIDENCE.**

9 **(J) (1) EACH YEAR THE INTEGRITY AND COMPLIANCE OFFICER SHALL**
10 **SUBMIT TO THE COUNTY BOARD A PROJECTED BUDGET FOR THE OFFICE FOR THE**
11 **UPCOMING FISCAL YEAR.**

12 **(2) THE COUNTY BOARD SHALL INCLUDE IN THE COUNTY BOARD'S**
13 **ANNUAL OPERATING BUDGET PROPOSAL THE AMOUNTS RECOMMENDED BY THE**
14 **INTEGRITY AND COMPLIANCE OFFICER FOR THE OFFICE FOR THE UPCOMING**
15 **FISCAL YEAR.**

16 SECTION 2. AND BE IT FURTHER ENACTED, That the functions, powers, duties,
17 and employees of the Office of Internal Audit of the Prince George's County public school
18 system shall be transferred to the Office of Integrity and Compliance of the public school
19 system on the effective date of this Act.

20 SECTION 3. AND BE IT FURTHER ENACTED, That all employees who are
21 transferred to the Office of Integrity and Compliance of the Prince George's County public
22 school system as a result of this Act shall be transferred on the effective date of this Act
23 without any diminution of their rights, including collective bargaining rights, benefits, or
24 employment or retirement status.

25 SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect July
26 1, 2023.