

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

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 9, 2023

CHAPTER _____

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 functions, powers, and duties of the Office of Internal Audit of the Prince George's
2 County public school system to the Office of Integrity and Compliance on a certain
3 date; and generally relating to the establishment of the Office of Integrity and
4 Compliance in the Prince George's County public school system.

5 BY adding to

6 Article – Education

7 Section 4–404

8 Annotated Code of Maryland

9 (2022 Replacement Volume)

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

12 **Article – Education**

13 **4–404.**

14 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
15 INDICATED.

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

18 1. INVOLVING PROPERTY OR FUNDS OF THE LOCAL
19 SCHOOL SYSTEM THAT IS IMPROPER OR DEFICIENT WHEN COMPARED TO CONDUCT
20 A PRUDENT PERSON WOULD CONSIDER REASONABLE UNDER THE SAME FACTS AND
21 CIRCUMSTANCES; OR

22 2. FOR THE PURPOSE OF FURTHERING IMPROPERLY
23 THE PRIVATE INTERESTS OF THE EMPLOYEE, A FAMILY MEMBER, OR A CLOSE
24 PERSONAL OR BUSINESS ASSOCIATE.

25 (II) “ABUSE” INCLUDES:

26 1. THEFT OR MISAPPROPRIATION OF PROPERTY OR
27 FUNDS OF THE LOCAL SCHOOL SYSTEM; AND

28 2. DESTRUCTION OR ALTERATION OF OFFICIAL
29 RECORDS.

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

1 **(II) "FRAUD" INCLUDES A WILLFUL FALSE REPRESENTATION**
2 **OF A MATERIAL FACT, WHETHER BY WORDS OR BY CONDUCT, BY FALSE OR**
3 **MISLEADING ALLEGATIONS, OR BY CONCEALMENT OF THAT WHICH SHOULD HAVE**
4 **BEEN DISCLOSED, THAT CAUSES THE LOCAL SCHOOL SYSTEM TO ACT, OR FAIL TO**
5 **ACT, TO THE DETRIMENT OF THE INTEREST OF THE LOCAL SCHOOL SYSTEM.**

6 **(4) "LOCAL SCHOOL SYSTEM" MEANS THE PRINCE GEORGE'S**
7 **COUNTY PUBLIC SCHOOL SYSTEM.**

8 **(5) "OFFICE" MEANS THE OFFICE OF INTEGRITY AND COMPLIANCE**
9 **IN THE LOCAL SCHOOL SYSTEM.**

10 **(6) "VENDOR" MEANS A PARTY OBLIGATED BY CONTRACT OR**
11 **SUBCONTRACT TO PROVIDE GOODS, SERVICES, OR PROPERTY TO THE LOCAL**
12 **SCHOOL SYSTEM FOR CONSIDERATION, INCLUDING CONTRACTS AND**
13 **SUBCONTRACTS FOR CONSTRUCTION AND PROFESSIONAL SERVICES RELATED TO**
14 **CONSTRUCTION.**

15 **(7) (I) "WASTE" MEANS AN INAPPROPRIATE ACT OR OMISSION BY**
16 **AN EMPLOYEE WITH CONTROL OVER OR ACCESS TO LOCAL SCHOOL SYSTEM**
17 **PROPERTY OR FUNDS THAT UNREASONABLY DEPRIVES THE LOCAL SCHOOL SYSTEM**
18 **OF VALUE.**

19 **(II) "WASTE" INCLUDES MISMANAGEMENT OR OTHER**
20 **UNINTENTIONAL CONDUCT THAT IS DEFICIENT OR IMPROPER WHEN COMPARED TO**
21 **CONDUCT THAT A PRUDENT PERSON WOULD CONSIDER NECESSARY TO PRESERVE**
22 **THE VALUE OF PROPERTY OR FUNDS OF THE LOCAL SCHOOL SYSTEM UNDER THE**
23 **SAME FACTS AND CIRCUMSTANCES.**

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

25 **(C) (1) THERE IS AN OFFICE OF INTEGRITY AND COMPLIANCE IN THE**
26 **LOCAL SCHOOL SYSTEM.**

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

29 **(II) THE COUNTY COUNCIL SHALL SELECT THE INTEGRITY AND**
30 **COMPLIANCE OFFICER SOLELY ON THE BASIS OF PROFESSIONAL ABILITY AND**
31 **PERSONAL INTEGRITY, WITHOUT REGARD TO POLITICAL AFFILIATION.**

32 **(III) THE INTEGRITY AND COMPLIANCE OFFICER MUST BE**
33 **QUALIFIED PROFESSIONALLY BY EXPERIENCE OR EDUCATION IN AUDITING,**
34 **GOVERNMENT OPERATIONS, OR FINANCIAL MANAGEMENT.**

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

3 **(2) AN INDIVIDUAL MAY NOT SERVE AS INTEGRITY AND COMPLIANCE**
4 **OFFICER FOR MORE THAN THREE TERMS.**

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

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

10 **(5) THE COUNTY COUNCIL MAY REMOVE THE INTEGRITY AND**
11 **COMPLIANCE OFFICER ONLY THROUGH A MAJORITY VOTE OF THE COUNTY**
12 **COUNCIL FOR NEGLECT OF DUTY, MALFEASANCE, CONVICTION OF A FELONY, OR**
13 **OTHER GOOD CAUSE.**

14 **(6) THE INTEGRITY AND COMPLIANCE OFFICER SHALL DISCHARGE**
15 **THE DUTIES OF OFFICE ON A FULL-TIME BASIS AND WITH NO SECONDARY**
16 **EMPLOYMENT OF ANY NATURE DURING THE INTEGRITY AND COMPLIANCE**
17 **OFFICER'S TERM.**

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

19 **(I) ASSIST THE COUNTY COUNCIL AND THE LOCAL SCHOOL**
20 **SYSTEM BY PROVIDING INDEPENDENT EVALUATION AND RECOMMENDATIONS**
21 **REGARDING OPPORTUNITIES TO:**

22 **1. PRESERVE THE LOCAL SCHOOL SYSTEM'S**
23 **REPUTATION; AND**

24 **2. IMPROVE THE EFFECTIVENESS, PRODUCTIVITY, OR**
25 **EFFICIENCY OF LOCAL SCHOOL SYSTEM PROGRAMS, POLICIES, PRACTICES, AND**
26 **OPERATIONS;**

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

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

1 (IV) REPORT NONCOMPLIANCE WITH AND PROPOSE WAYS TO
2 IMPROVE EMPLOYEE COMPLIANCE WITH APPLICABLE LAW, POLICY, AND ETHICAL
3 STANDARDS OF CONDUCT.

4 (2) IN DEVELOPING RECOMMENDATIONS, THE OFFICE MAY:

5 (I) CONDUCT ADMINISTRATIVE INVESTIGATIONS, BUDGETARY
6 ANALYSES, AND FINANCIAL, MANAGEMENT, OR PERFORMANCE AUDITS AND SIMILAR
7 REVIEWS;

8 (II) PROVIDE MANAGEMENT ADVISORIES; AND

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

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

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

16 1. PERIODIC REPORTS THAT SUMMARIZE THE
17 ACTIVITIES, FINDINGS, RECOMMENDATIONS, AND ACCOMPLISHMENTS OF THE
18 OFFICE; AND

19 2. ANY OFFICIAL WRITTEN COMMENTS OR RESPONSES
20 OFFERED BY THE LOCAL SCHOOL SYSTEM ADMINISTRATION WITH ANY REPORT
21 PUBLISHED BY THE OFFICE.

22 (II) THE INTEGRITY AND COMPLIANCE OFFICER:

23 1. MAY NOT DISCLOSE ANY RECORD, REPORT, OR
24 RELATED INFORMATION THAT IS PROTECTED FROM DISCLOSURE UNDER THE
25 PUBLIC INFORMATION ACT;

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

28 3. SHALL ESTABLISH AND FOLLOW PROCEDURES FOR
29 SAFEGUARDING THE IDENTITY OF CONFIDENTIAL SOURCES AND PROTECTING
30 PRIVILEGED AND CONFIDENTIAL INFORMATION.

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

4 **(I) AN APPROPRIATE LAW ENFORCEMENT AGENCY;**

5 **(II) THE STATE ETHICS COMMISSION; OR**

6 **(III) ANY OTHER AGENCY WITH JURISDICTION TO ENFORCE THE**
7 **LAW.**

8 **(F) (1) THE INTEGRITY AND COMPLIANCE OFFICER SHALL COORDINATE**
9 **WITH THE LOCAL SCHOOL SYSTEM TO DEVELOP A WRITTEN WORK PLAN AND**
10 **ESTABLISH PERIODIC GOALS AND PRIORITIES FOR THE OFFICE BASED ON AN**
11 **ASSESSMENT OF RELATIVE RISKS.**

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

14 **(I) OFFICERS, ADMINISTRATORS, AND EMPLOYEES OF THE**
15 **LOCAL SCHOOL SYSTEM;**

16 **(II) ELECTED OFFICIALS; AND**

17 **(III) MEMBERS OF THE PUBLIC.**

18 **(3) THE INTEGRITY AND COMPLIANCE OFFICER SHALL MAKE THE**
19 **WRITTEN WORK PLAN AVAILABLE TO THE PUBLIC, SUBJECT TO THE PUBLIC**
20 **INFORMATION ACT.**

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

26 **(II) 1. THE INTEGRITY AND COMPLIANCE OFFICER SHALL**
27 **NOTIFY THE COUNTY BOARD AND THE ~~CHIEF EXECUTIVE OFFICER~~ COUNTY**
28 **SUPERINTENDENT IF ANY EMPLOYEE OR OFFICIAL OF THE LOCAL SCHOOL SYSTEM**
29 **FAILS TO PROVIDE ANY INFORMATION OR DOCUMENT REQUESTED UNDER THIS**
30 **PARAGRAPH WITH REASONABLE PROMPTNESS.**

31 **2. THE COUNTY BOARD AND THE ~~CHIEF EXECUTIVE~~**
32 **OFFICER COUNTY SUPERINTENDENT SHALL TAKE APPROPRIATE ADMINISTRATIVE**

1 ACTION TO PRODUCE LOCAL SCHOOL SYSTEM COMPLIANCE WITH A PENDING
2 REQUEST FOR INFORMATION BY THE INTEGRITY AND COMPLIANCE OFFICER.

3 (2) (I) ON REQUEST FROM THE INTEGRITY AND COMPLIANCE
4 OFFICER, A VENDOR OF THE LOCAL SCHOOL SYSTEM SHALL PROVIDE PROMPTLY TO
5 THE INTEGRITY AND COMPLIANCE OFFICER ANY AVAILABLE DOCUMENT OR OTHER
6 INFORMATION CONCERNING ANY LOCAL SCHOOL SYSTEM VENDOR CONTRACT,
7 INCLUDING DOCUMENTS RELATED TO THE PROCUREMENT OF THE CONTRACT.

8 (II) 1. THE INTEGRITY AND COMPLIANCE OFFICER SHALL
9 NOTIFY THE COUNTY BOARD, THE ~~CHIEF EXECUTIVE OFFICER~~ COUNTY
10 SUPERINTENDENT, AND THE LOCAL SCHOOL SYSTEM IF ANY VENDOR FAILS TO
11 PROVIDE ANY INFORMATION OR DOCUMENT REQUESTED UNDER THIS PARAGRAPH
12 WITH REASONABLE PROMPTNESS.

13 2. THE COUNTY BOARD AND THE ~~CHIEF EXECUTIVE~~
14 ~~OFFICER~~ COUNTY SUPERINTENDENT SHALL TAKE APPROPRIATE ADMINISTRATIVE
15 OR CIVIL ACTION TO PRODUCE VENDOR COMPLIANCE WITH A PENDING REQUEST
16 FOR INFORMATION BY THE INTEGRITY AND COMPLIANCE OFFICER.

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

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

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

27 (I) THE REPORTING PERSON CONSENTS TO DISCLOSURE OF
28 THE PERSON'S IDENTITY;

29 (II) DISCLOSURE IS REASONABLY NECESSARY TO COMPLETE AN
30 AUDIT OR INVESTIGATION; OR

31 (III) ANOTHER PERSON IS LEGALLY ENTITLED TO DISCLOSURE
32 OF THE IDENTITY OF THE REPORTING PERSON.

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

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

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

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

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

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

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

18 **(2) THE COUNTY BOARD SHALL INCLUDE IN THE COUNTY BOARD'S**
19 **ANNUAL OPERATING BUDGET PROPOSAL THE AMOUNTS RECOMMENDED BY THE**
20 **INTEGRITY AND COMPLIANCE OFFICER FOR THE OFFICE FOR THE UPCOMING**
21 **FISCAL YEAR.**

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

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

31 SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect July
32 1, 2023, contingent on the taking effect of Chapter _____ (H.B. 432) of the Acts of the General
33 Assembly of 2023, and if Chapter _____ (H.B. 432) does not take effect, this Act, with no
34 further action required by the General Assembly, shall be null and void.