

HOUSE BILL 1089

R2, P1

8lr1281
CF SB 894

By: **Delegates Barron, Korman, Angel, B. Barnes, D. Barnes, Davis, Fennell, Frush, Gaines, Healey, Holmes, C. Howard, Jackson, Knotts, J. Lewis, Pena–Melnyk, Proctor, Sanchez, Tarlau, Valderrama, Valentino–Smith, Vallario, Walker, and A. Washington**

Introduced and read first time: February 7, 2018

Assigned to: Environment and Transportation

Committee Report: Favorable

House action: Adopted

Read second time: March 13, 2018

CHAPTER _____

1 AN ACT concerning

2 **Metro Oversight Enhancement Act**

3 FOR the purpose of amending the Washington Metropolitan Area Transit Authority
4 Compact to establish certain requirements for the appointment and removal of the
5 inspector general of the Washington Metropolitan Area Transit Authority by the
6 Board of Directors of the Authority; specifying certain powers and requirements of
7 the inspector general; requiring the Office of the Inspector General to be funded with
8 a grant of at least a certain amount of the annual operating budget of the Authority;
9 requiring that the Office of the Inspector General be operationally and functionally
10 independent of the Authority; authorizing the Office of the Inspector General to
11 engage in certain functions; specifying that any individual member of the Authority
12 board may request that the inspector general undertake a certain audit or
13 investigation; specifying certain requirements for the audits, investigations,
14 inspections, and reviews conducted by the Office of the Inspector General; specifying
15 that certain audits or investigations conducted by the Office of the Inspector General
16 are not subject to board approval; requiring the Office of the Inspector General to
17 submit certain reports in accordance with certain requirements and under certain
18 circumstances; requiring all reports or other materials generated by the Office of the
19 Inspector General to be subject to certain privacy policies of the Authority; requiring
20 that certain reports be submitted to certain individuals and entities under certain
21 circumstances; making this Act subject to a certain contingency; and generally

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 relating to the inspector general and the Office of the Inspector General of the
2 Authority.

3 BY repealing and reenacting, with amendments,
4 Article – Transportation
5 Section 10–204 Title III Article III Section 9
6 Annotated Code of Maryland
7 (2015 Replacement Volume and 2017 Supplement)

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

10 **Article – Transportation**

11 10–204.

12 Title III

13 Article III

14 9.

15 (a) (1) The officers of the Authority, none of whom shall be members of the
16 board, shall consist of a general manager, a secretary, a treasurer, a comptroller, an
17 inspector general, and a general counsel and such other officers as the board may provide.
18 Except for the office of general manager, inspector general, and comptroller, the board may
19 consolidate any of such other offices in one person. **[All] SUBJECT TO THE PROVISIONS**
20 **OF THIS SUBSECTION AND SUBSECTIONS (B) THROUGH (G) OF THIS SECTION, ALL**
21 such officers shall be appointed and may be removed by the board, shall serve at the
22 pleasure of the board and shall perform such duties and functions as the board shall specify.
23 The board shall fix and determine the compensation to be paid to all officers and, except for
24 the general manager who shall be a full–time employee, all other officers may be hired on
25 a full–time or part–time basis and may be compensated on a salary or fee basis, as the
26 board may determine. All employees and such officers as the board may designate shall be
27 appointed and removed by the general manager under such rules of procedure and
28 standards as the board may determine.

29 (2) (I) 1. **SUBJECT TO SUBSUBPARAGRAPH 2 OF THIS**
30 **SUBPARAGRAPH, THE BOARD SHALL APPOINT AN INSPECTOR GENERAL WITHOUT**
31 **REGARD TO POLITICAL AFFILIATION AND SOLELY ON THE BASIS OF INTEGRITY AND**
32 **A DEMONSTRATED ABILITY IN ACCOUNTING, AUDITING, FINANCIAL ANALYSIS, LAW,**
33 **MANAGEMENT ANALYSIS, PUBLIC ADMINISTRATION, INVESTIGATION, CRIMINAL**
34 **JUSTICE ADMINISTRATION, OR ANOTHER CLOSELY RELATED FIELD.**

35 2. **THE BOARD MAY NOT APPOINT AS AN INSPECTOR**
36 **GENERAL AN INDIVIDUAL WHO SERVED AS AN EXECUTIVE OR MANAGER OF THE**

1 **AUTHORITY WITHIN THE LAST FIVE YEARS.**

2 **(II) IF THE BOARD REMOVES AN INSPECTOR GENERAL FROM**
3 **OFFICE, THE BOARD SHALL REPORT THE REASONS FOR ITS ACTIONS IN**
4 **ACCORDANCE WITH SUBSECTION (G) OF THIS SECTION.**

5 (b) The general manager shall be the chief administrative officer of the Authority
6 and, subject to policy direction by the board, shall be responsible for all activities of the
7 Authority.

8 (c) The treasurer shall be the custodian of the funds of the Authority, shall keep
9 an account of all receipts and disbursements and shall make payments only upon warrants
10 duly and regularly signed by the chairman or vice-chairman of the board, or other person
11 authorized by the board to do so, and by the secretary or general manager; provided,
12 however, that the board may provide that warrants not exceeding such amounts or for such
13 purposes as may from time to time be specified by the board may be signed by the general
14 manager or by persons designated by him.

15 (d) **(1) [The] SUBJECT TO PARAGRAPHS (2) THROUGH (9) OF THIS**
16 **SUBSECTION, THE** inspector general shall report to the Board and head the Office of the
17 Inspector General, an independent and objective unit of the Authority that conducts and
18 supervises audits, program evaluations, and investigations relating to Authority activities;
19 promotes economy, efficiency, and effectiveness in Authority activities; detects and
20 prevents fraud and abuse in Authority activities; and keeps the board fully and currently
21 informed about deficiencies in Authority activities as well as the necessity for and progress
22 of corrective action.

23 **(2) THE INSPECTOR GENERAL IS CHARGED WITH THE FOLLOWING**
24 **POWERS TO ACCOMPLISH THE DUTIES OF THE OFFICE OF THE INSPECTOR**
25 **GENERAL:**

26 **(I) SUPERSEDING ANY CLAIM OF PRIVILEGE, THE RIGHT TO**
27 **OBTAIN FULL AND UNRESTRICTED ACCESS TO ALL RECORDS, INFORMATION, DATA,**
28 **REPORTS, PLANS, PROJECTIONS, MATTERS, CONTRACTS, MEMORANDA,**
29 **CORRESPONDENCE, AND ANY OTHER MATERIALS OF THE AUTHORITY OR ANY**
30 **OTHER ORGANIZATIONS THAT MAY BE INVOLVED WITH THE AUTHORITY;**

31 **(II) THE POWER TO SUBPOENA WITNESSES, ADMINISTER OATHS**
32 **OR AFFIRMATIONS, TAKE TESTIMONY, AND COMPEL THE PRODUCTION OF SUCH**
33 **BOOKS, DATA, PAPERS, RECORDS, AND DOCUMENTS DEEMED RELEVANT TO AN**
34 **INQUIRY OR INVESTIGATION;**

35 **(III) WHEN NECESSARY TO ACCOMPLISH THE CHARGES OF THE**
36 **OFFICE OF THE INSPECTOR GENERAL, ACCESS TO THE HEAD OF ANY PUBLIC**
37 **ENTITY; AND**

1 (IV) THE POWER TO REQUIRE AUTHORITY EMPLOYEES TO
2 REPORT FRAUD, WASTE, CORRUPTION, ILLEGAL ACTS, AND ABUSE.

3 (3) THE INSPECTOR GENERAL SHALL PREPARE AND, SUBJECT TO
4 BOARD APPROVAL, ADOPT AN ANNUAL WORK PLAN.

5 (4) THE OFFICE OF THE INSPECTOR GENERAL AND ALL SUBOFFICES
6 OR DIVISIONS OF THE OFFICE OF THE INSPECTOR GENERAL SHALL BE:

7 (I) FUNDED WITH A GRANT OF AT LEAST 0.05% OF THE ANNUAL
8 OPERATING BUDGET OF THE AUTHORITY; AND

9 (II) OPERATIONALLY AND FUNCTIONALLY INDEPENDENT OF
10 THE AUTHORITY.

11 (5) THE OFFICE OF THE INSPECTOR GENERAL IS AUTHORIZED TO
12 ENGAGE IN THE FOLLOWING FUNCTIONS:

13 (I) AUDIT, EVALUATE, INVESTIGATE, AND INSPECT:

14 1. THE ACTIVITIES AND RECORDS OF AN INDIVIDUAL OR
15 ENTITY WITH A FINANCIAL ARRANGEMENT UNDERTAKEN BY THE AUTHORITY; AND

16 2. ANY FUNCTION, ACTIVITY, PROCESS, OR OPERATION
17 CONDUCTED BY THE AUTHORITY;

18 (II) MONITOR THE IMPLEMENTATION OF RECOMMENDATIONS
19 MADE BY THE INSPECTOR GENERAL AND OTHER AUDIT AGENCIES;

20 (III) REVIEW THE RELIABILITY AND VALIDITY OF THE
21 INFORMATION PROVIDED BY THE AUTHORITY'S PERFORMANCE MEASURES AND
22 STANDARDS;

23 (IV) RECEIVE AND INVESTIGATE COMPLAINTS, REGARDLESS OF
24 THE SOURCE OF THE COMPLAINT, CONCERNING ALLEGED ABUSES, FRAUDS, AND
25 SERVICE DEFICIENCIES, INCLUDING DEFICIENCIES IN THE OPERATION AND
26 MAINTENANCE OF FACILITIES;

27 (V) RECOMMEND REMEDIAL ACTIONS TO OVERCOME OR
28 CORRECT OPERATING OR MAINTENANCE DEFICIENCIES OR INEFFICIENCIES;

29 (VI) CONDUCT CRIMINAL, CIVIL, AND ADMINISTRATIVE

1 INVESTIGATIONS, INCLUDING JOINT INVESTIGATIONS WITH THE APPROPRIATE
2 OVERSIGHT OR LAW ENFORCEMENT AGENCIES;

3 (VII) PROVIDE INFORMATION AND EVIDENCE TO THE
4 APPROPRIATE OVERSIGHT OR LAW ENFORCEMENT AGENCIES;

5 (VIII) REFER MATTERS FOR CIVIL, CRIMINAL, AND
6 ADMINISTRATIVE ACTION TO THE APPROPRIATE ADMINISTRATIVE OR
7 PROSECUTORIAL AGENCIES;

8 (IX) MAINTAIN INFORMATION REGARDING THE COST OF
9 INVESTIGATIONS;

10 (X) COOPERATE WITH ADMINISTRATIVE AND PROSECUTORIAL
11 AGENCIES TO RECOUP FUNDS EXPENDED WHILE INVESTIGATING
12 NONGOVERNMENTAL ENTITIES INVOLVED IN WILLFUL MISCONDUCT;

13 (XI) ENGAGE IN PREVENTION ACTIVITIES, INCLUDING BUT NOT
14 LIMITED TO:

15 1. TRAINING AND EDUCATION INITIATIVES; AND

16 2. THE REVIEW OF LEGISLATION, RULES,
17 REGULATIONS, POLICIES, PROCEDURES, AND TRANSACTIONS;

18 (XII) ATTEND ANY MEETINGS HELD BY THE AUTHORITY;

19 (XIII) ISSUE PUBLIC REPORTS;

20 (XIV) ESTABLISH POLICIES AND PROCEDURES TO GUIDE
21 FUNCTIONS AND PROCESSES CONDUCTED BY THE OFFICE OF THE INSPECTOR
22 GENERAL; AND

23 (XV) PERFORM ANY OTHER ACTIONS NECESSARY TO CARRY OUT
24 THE FUNCTIONS AND POWERS OF THE OFFICE OF THE INSPECTOR GENERAL.

25 (6) ANY INDIVIDUAL MEMBER OF THE AUTHORITY'S BOARD OF
26 DIRECTORS MAY REQUEST THAT THE INSPECTOR GENERAL UNDERTAKE AN AUDIT
27 OR INVESTIGATION.

28 (7) (I) THE AUDITS, INVESTIGATIONS, INSPECTIONS, AND
29 REVIEWS CONDUCTED BY THE OFFICE OF THE INSPECTOR GENERAL SHALL:

1 1. **CONFORM TO PROFESSIONAL STANDARDS FOR**
2 **OFFICES OF INSPECTORS GENERAL, SUCH AS THOSE PROMULGATED BY THE**
3 **ASSOCIATION OF INSPECTORS GENERAL; AND**

4 2. **BE SUBJECT TO QUALITY ASSURANCE REVIEWS BY A**
5 **PROFESSIONAL, NONPARTISAN OBJECTIVE GROUP EVERY THREE TO FIVE YEARS.**

6 (ii) **A REPORT RESULTING FROM A QUALITY ASSURANCE**
7 **REVIEW UNDER SUBPARAGRAPH (I)2 OF THIS PARAGRAPH SHALL BE POSTED TO THE**
8 **AUTHORITY'S WEBSITE.**

9 (8) **CONSISTENT WITH THE METRORAIL SAFETY COMMISSION**
10 **INTERSTATE COMPACT, THE FOLLOWING AUDITS OR INVESTIGATIONS CONDUCTED**
11 **BY THE OFFICE OF THE INSPECTOR GENERAL ARE NOT SUBJECT TO BOARD**
12 **APPROVAL:**

13 (i) **SAFETY-RELATED AUDITS OR INVESTIGATIONS REQUIRED**
14 **BY THE METRORAIL SAFETY COMMISSION; AND**

15 (ii) **INSPECTOR GENERAL AUDITS OR INVESTIGATIONS OF THE**
16 **AUTHORITY BOARD.**

17 (9) (i) **IN ADDITION TO ANY OTHER REQUIREMENTS OF THIS**
18 **PARAGRAPH, THE REPORTS REQUIRED UNDER SUBPARAGRAPH (II) OF THIS**
19 **PARAGRAPH SHALL BE SUBMITTED IN ACCORDANCE WITH SUBSECTION (G) OF THIS**
20 **SECTION.**

21 (ii) **THE OFFICE OF THE INSPECTOR GENERAL SHALL ISSUE:**

22 1. **REGULAR REPORTS REGARDING THE FINDINGS OF**
23 **ANY INVESTIGATIONS UNDERTAKEN BY THE OFFICE OF THE INSPECTOR GENERAL;**

24 2. **REPORTS REGARDING THE DISCOVERY OF AN**
25 **EGREGIOUS PROBLEM, ABUSE, OR DEFICIENCY RELATING TO THE ADMINISTRATION**
26 **OF PROGRAMS OR THE OPERATION OF THE AUTHORITY OR INTERFERENCE WITH**
27 **THE OPERATIONS OF THE OFFICE OF THE INSPECTOR GENERAL; AND**

28 3. **AN ANNUAL REPORT THAT SEPARATELY LISTS AUDIT**
29 **AND REVIEW REPORTS AND OTHER INVESTIGATIVE OR ASSISTANCE EFFORTS**
30 **COMPLETED OR ACCOMPLISHED BY THE OFFICE OF THE INSPECTOR GENERAL**
31 **DURING THE FISCAL YEAR.**

32 (iii) **THE REPORTS REQUIRED UNDER SUBPARAGRAPH (II)2 OF**

1 THIS PARAGRAPH SHALL BE SUBMITTED, TOGETHER WITH A REPORT BY THE
2 AUTHORITY'S GENERAL MANAGER CONTAINING ANY COMMENTS DEEMED
3 APPROPRIATE, WITHIN SEVEN CALENDAR DAYS AFTER THE DISCOVERY OF THE
4 PROBLEM, ABUSE, OR DEFICIENCY.

5 (IV) THE REPORT REQUIRED UNDER SUBPARAGRAPH (II)3 OF
6 THIS PARAGRAPH SHALL BE COMPLETED AND POSTED TO A PUBLIC WEBSITE WITHIN
7 60 DAYS AFTER THE END OF EACH FISCAL YEAR.

8 (10) ALL REPORTS OR OTHER MATERIALS GENERATED BY THE OFFICE
9 OF THE INSPECTOR GENERAL SHALL BE SUBJECT TO THE AUTHORITY'S PUBLIC
10 ACCESS TO RECORDS AND PRIVACY POLICIES.

11 (e) An oath of office in the form set out in § 5(b) of this article shall be taken,
12 subscribed and filed with the board by all appointed officers.

13 (f) Each director, officer and employee specified by the board shall give such bond
14 in such form and amount as the board may require, the premium for which shall be paid
15 by the Authority.

16 (G) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION AND IN
17 ADDITION TO ANY OTHER REQUIREMENTS SPECIFIED, A REPORTING REQUIREMENT
18 FOR THE INSPECTOR GENERAL, THE OFFICE OF THE INSPECTOR GENERAL, OR THE
19 BOARD UNDER THIS SECTION SHALL BE SATISFIED IF THE REPORT, FINDING, OR
20 OTHER DOCUMENT IS FORWARDED OR SUBMITTED, IN WRITING, TO THE FOLLOWING
21 INDIVIDUALS AND LEGISLATIVE BODIES:

22 (I) FOR THE FEDERAL GOVERNMENT, THE SECRETARY OF THE
23 UNITED STATES DEPARTMENT OF TRANSPORTATION;

24 (II) FOR MARYLAND, THE GOVERNOR AND THE GENERAL
25 ASSEMBLY;

26 (III) FOR VIRGINIA, THE GOVERNOR AND THE GENERAL
27 ASSEMBLY; AND

28 (IV) FOR THE DISTRICT OF COLUMBIA, THE MAYOR AND THE
29 CITY COUNCIL.

30 (2) IF APPLICABLE, THE INSPECTOR GENERAL SHALL FORWARD ALL
31 NECESSARY INFORMATION TO THE APPROPRIATE ADMINISTRATIVE OR CRIMINAL
32 JUSTICE AGENCY.

33 SECTION 2. AND BE IT FURTHER ENACTED, That this Act may not take effect

1 until a similar Act is enacted by the Commonwealth of Virginia and by the District of
2 Columbia; that the Commonwealth of Virginia and the District of Columbia each is
3 requested to concur in this Act of the General Assembly of Maryland by the enactment of a
4 similar Act; that the Department of Legislative Services shall notify the appropriate
5 officials of the Commonwealth of Virginia, the District of Columbia, and the United States
6 Congress of the enactment of this Act; and that on the concurrence in this Act by the
7 Commonwealth of Virginia and by the District of Columbia and approval by the United
8 States Congress, the Governor of the State of Maryland shall issue a proclamation declaring
9 this Act valid and effective and shall forward a copy of the proclamation to the Executive
10 Director of the Department of Legislative Services.

11 SECTION 3. AND BE IT FURTHER ENACTED, That, subject to Section 2 of this
12 Act, this Act shall take effect June 1, 2018.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.