

HOUSE BILL 370

F3

5lr1070

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

Introduced and read first time: January 16, 2025

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 **– Alterations**

4 **PG 504–25**

5 FOR the purpose of specifying the purpose of the Office of Integrity and Compliance in the
6 Prince George's County public school system; requiring the County Executive of
7 Prince George's County, rather than the County Council, to select and appoint an
8 Integrity and Compliance Officer; requiring the Officer to serve as an independent
9 employee within the county government, rather than the local school system, with
10 certain review and oversight; specifying and altering certain duties of the Officer;
11 requiring the County Attorney to provide certain legal services to the Office;
12 authorizing the County Attorney to employ special legal counsel for the Office;
13 abolishing the Office under a certain circumstance; and generally relating to the
14 Office of Integrity and Compliance in Prince George's County.

15 BY repealing and reenacting, with amendments,
16 Article – Education
17 Section 4–404
18 Annotated Code of Maryland
19 (2022 Replacement Volume and 2024 Supplement)

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

22 **Article – Education**

23 4–404.

24 (a) (1) In this section the following words have the meanings indicated.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(2) (i) “Abuse” means an employee’s intentional misconduct or misuse of authority or position:

1. Involving property or funds of the local school system that is improper or deficient when compared to conduct a prudent person would consider reasonable under the same facts and circumstances; or

2. For the purpose of furthering improperly the private interests of the employee, a family member, or a close personal or business associate.

(ii) “Abuse” includes:

1. Theft or misappropriation of property or funds of the local school system; and

2. Destruction or alteration of official records.

(3) (i) “Fraud” means an intentional act or attempt to obtain something of value from the local school system or another person through willful misrepresentation.

(ii) “Fraud” includes a willful false representation of a material fact, whether by words or by conduct, by false or misleading allegations, or by concealment of that which should have been disclosed, that causes the local school system to act, or fail to act, to the detriment of the interest of the local school system.

(4) “Local school system” means the Prince George’s County public school system.

(5) “Office” means the Office of Integrity and Compliance in the local school system.

(6) “Vendor” means a party obligated by contract or subcontract to provide goods, services, or property to the local school system for consideration, including contracts and subcontracts for construction and professional services related to construction.

(7) (i) “Waste” means an inappropriate act or omission by an employee with control over or access to local school system property or funds that unreasonably deprives the local school system of value.

(ii) “Waste” includes mismanagement or other unintentional conduct that is deficient or improper when compared to conduct that a prudent person would consider necessary to preserve the value of property or funds of the local school system under the same facts and circumstances.

(b) This section applies only in Prince George’s County.

(c) (1) There is an Office of Integrity and Compliance in the local school system.

(2) [The Office is an independent unit within the local school system] **THE PURPOSE OF THE OFFICE IS TO:**

(I) REVIEW THE EFFECTIVENESS AND EFFICIENCY OF PROGRAMS AND OPERATIONS OF THE LOCAL SCHOOL SYSTEM;

(II) PREVENT AND DETECT FRAUD, WASTE, AND ABUSE IN THE OPERATIONS OF THE LOCAL SCHOOL SYSTEM; AND

(III) PROPOSE WAYS TO INCREASE THE LEGAL, FISCAL, AND ETHICAL ACCOUNTABILITY OF THE COUNTY BOARD AND THE LOCAL SCHOOL SYSTEM.

(3) (i) The County [Council] **EXECUTIVE** of Prince George's County, **WITH THE ADVICE AND CONSENT OF THE COUNTY COUNCIL**, shall select, appoint, and contract with an Integrity and Compliance Officer.

(ii) The County [Council] **EXECUTIVE** shall select the Integrity and Compliance Officer solely on the basis of professional ability and personal integrity, without regard to political affiliation.

(iii) The Integrity and Compliance Officer must be qualified professionally by experience or education in auditing, government operations, or financial management.

(d) (1) The term of the Integrity and Compliance Officer is 4 years beginning on the date of appointment.

(2) An individual may not serve as Integrity and Compliance Officer for more than three terms.

(3) The Integrity and Compliance Officer continues to serve until a successor is appointed.

(4) If a vacancy occurs for the Integrity and Compliance Officer, the County [Council] **EXECUTIVE** shall appoint an Interim Integrity and Compliance Officer to serve for the remainder of the unexpired term.

(5) The County Council may remove the Integrity and Compliance Officer only through a majority vote of the County Council for neglect of duty, malfeasance, conviction of a felony, or other good cause.

(6) The Integrity and Compliance Officer shall serve as an independent employee within the [local school system] **COUNTY GOVERNMENT, SUBJECT TO REVIEW AND OVERSIGHT BY THE PRINCE GEORGE'S COUNTY OFFICE OF ETHICS AND ACCOUNTABILITY.**

(7) The Integrity and Compliance Officer shall discharge the duties of office on a full-time basis and with no secondary employment of any nature during the Integrity and Compliance Officer's term.

(8) THE COUNTY ATTORNEY SHALL PROVIDE LEGAL SERVICES TO THE OFFICE AND MAY EMPLOY SPECIAL LEGAL COUNSEL FOR THE OFFICE.

(e) (1) The Office shall:

(i) Assist the County Council and the local school system by providing independent evaluation and recommendations regarding opportunities to:

1. Preserve the local school system's reputation; and

2. Improve the effectiveness, productivity, or efficiency of local school system programs, policies, practices, and operations;

(ii) Ensure public accountability by preventing, investigating, and reporting instances of fraud, waste, and abuse of property or funds of the local school system;

(iii) Examine, evaluate, and report on the adequacy and effectiveness of the systems of internal controls and their related accounting, financial, technology, and operational policies; and

(iv) Report noncompliance with and propose ways to improve employee compliance with applicable law, policy, and ethical standards of conduct.

(2) (i) The Office may employ staff in order to execute the duties of the Office.

(ii) Staff employed by the Office shall serve under the supervision and direction of the Integrity and Compliance Officer.

(3) In developing recommendations, the Office may:

(i) Conduct administrative investigations, budgetary analyses, and financial, management, or performance audits and similar reviews;

(ii) Provide management advisories; and

(iii) Utilize the assistance from any other government agency or private party to complete a project initiated by the Office.

(4) (I) When applicable, the Integrity and Compliance Officer shall comply with generally accepted government auditing standards.

(II) **THE INTEGRITY AND COMPLIANCE OFFICER MAY NOT CREATE CONTRACTUAL OBLIGATIONS FOR THE COUNTY OR THE LOCAL SCHOOL SYSTEM.**

(5) (i) Except as provided in subparagraph (ii) of this paragraph, the Integrity and Compliance Officer shall, **IN CONSULTATION WITH THE PRINCE GEORGE'S COUNTY OFFICE OF ETHICS AND ACCOUNTABILITY**, publish **IN A READILY AVAILABLE LOCATION** on the Office's website **AND LINKED TO OTHER COUNTY WEBSITES**[, in a readily available location]:

1. **[A] AN ANNUAL** report [at least once every 2 years], beginning in fiscal year 2025, that summarizes the activities, findings, recommendations, and accomplishments of the Office; and

2. Any official written comments or responses offered by the local school system administration with any report published by the Office.

(ii) The Integrity and Compliance Officer:

1. May not disclose any record, report, or related information that is protected from disclosure under the Public Information Act;

2. May provide an oral report if appropriate under generally accepted government auditing standards; and

3. Shall establish and follow procedures for safeguarding the identity of confidential sources and protecting privileged and confidential information.

(6) If reasonable grounds exist to believe that a serious violation of federal, State, or local law has occurred, the Integrity and Compliance Officer shall report the allegation to:

(i) An appropriate law enforcement agency;

(ii) The State Ethics Commission; or

(iii) Any other agency with jurisdiction to enforce the law.

(f) (1) **[The] EACH YEAR, THE** Integrity and Compliance Officer shall coordinate with the local school system to develop a written work plan **WITH THE**

OBJECTIVES, METRICS, PRIORITIES, AND SCHEDULED AUDITS AND INVESTIGATIONS OF THE OFFICE, BASED ON THE MOST RECENT RISK ASSESSMENT, and establish periodic goals and priorities for the Office based on an assessment of relative risks.

(2) In developing the work plan, the Integrity and Compliance Officer shall take into consideration requests from:

(i) Officers, administrators, and employees of the local school system;

(ii) Elected officials; and

(iii) Members of the public.

(3) The Integrity and Compliance Officer shall [make the written work plan available to the public, subject to the Public Information Act] **TRANSMIT THE WORK PLAN TO THE COUNTY BOARD BY JUNE 15 OF EACH YEAR.**

(4) ON APPROVAL OF THE WORK PLAN BY THE COUNTY BOARD, THE INTEGRITY AND COMPLIANCE OFFICER SHALL TRANSMIT THE WORK PLAN TO THE COUNTY COUNCIL FOR PUBLIC HEARING AND APPROVAL.

(5) AFTER A PUBLIC HEARING HAS BEEN HELD AND ON APPROVAL OF THE WORK PLAN BY THE COUNTY COUNCIL, THE INTEGRITY AND COMPLIANCE OFFICER SHALL MAKE THE WORK PLAN PUBLICLY AVAILABLE ON THE OFFICE'S WEBSITE, SUBJECT TO THE PUBLIC INFORMATION ACT.

(6) (I) 1. EACH YEAR, THE INTEGRITY AND COMPLIANCE OFFICER SHALL COMPLETE AND PRESENT A RISK ASSESSMENT TO THE COUNTY BOARD BY APRIL 1 FOR PUBLIC HEARING AND APPROVAL.

2. THE RISK ASSESSMENT SHALL SUMMARIZE THE POTENTIAL RISKS TO LOCAL SCHOOL SYSTEM OPERATIONS, FINANCES, AND COMPLIANCE WITH LAWS AND REGULATIONS.

(II) 1. THE COUNTY BOARD MAY ACCEPT, REJECT, OR MODIFY THE RISK ASSESSMENT.

2. THE COUNTY BOARD SHALL TRANSMIT THE RISK ASSESSMENT AND A FINAL WRITTEN DECISION TO THE COUNTY COUNCIL BY MAY 1.

(III) THE COUNTY COUNCIL SHALL HOLD A PUBLIC HEARING ON THE RISK ASSESSMENT AND ANY UPDATES TO THE RISK ASSESSMENT.

1 **(IV) THE COUNTY COUNCIL MAY ACCEPT, REJECT, OR MODIFY**
2 **THE RISK ASSESSMENT, AND SHALL INCORPORATE APPROPRIATE PUBLIC**
3 **COMMENTS INTO THE RISK ASSESSMENT BEFORE APPROVAL.**

4 **(V) ON APPROVAL OF THE RISK ASSESSMENT BY THE COUNTY**
5 **COUNCIL, THE RISK ASSESSMENT SHALL BE PUBLISHED ON THE OFFICE'S WEBSITE.**

6 **(VI) THE RISK ASSESSMENT SHALL BE UPDATED ANNUALLY, OR**
7 **MORE FREQUENTLY AS DEEMED NECESSARY BY THE COUNTY COUNCIL.**

8 **(VII) THE OFFICE SHALL INCLUDE WITH THE PUBLICLY**
9 **AVAILABLE RISK ASSESSMENT SUMMARIES OF FINDINGS AND RECOMMENDATIONS**
10 **IN PLAIN LANGUAGE.**

11 **(7) (I) 1. EACH YEAR, THE OFFICE SHALL PREPARE A REPORT**
12 **SUMMARIZING THE ACTIVITIES, FINDINGS, RECOMMENDATIONS, AND**
13 **ACCOMPLISHMENTS OF THE OFFICE FOR THE PREVIOUS FISCAL YEAR.**

14 **2. THE REPORT SHALL INCLUDE PROGRESS MADE ON**
15 **THE GOALS, OBJECTIVES, METRICS, AND PRIORITIES OUTLINED IN THE WORK PLAN.**

16 **(II) THE REPORT SHALL BE SUBMITTED TO THE COUNTY BOARD**
17 **BY JUNE 30 FOR REVIEW AND APPROVAL.**

18 **(III) ON APPROVAL OF THE REPORT BY THE COUNTY BOARD, THE**
19 **OFFICE SHALL TRANSMIT THE REPORT TO THE COUNTY COUNCIL BY JULY 15 FOR**
20 **APPROVAL.**

21 **(IV) ON APPROVAL OF THE REPORT BY THE COUNTY COUNCIL,**
22 **THE REPORT SHALL BE PUBLISHED ON THE OFFICE'S WEBSITE AND SHALL INCLUDE**
23 **WRITTEN COMMENTS OR RESPONSES BY THE LOCAL SCHOOL SYSTEM, THE COUNTY**
24 **COUNCIL, AND THE PUBLIC.**

25 (g) (1) (i) On request from the Integrity and Compliance Officer, an
26 employee or official of the local school system shall provide promptly to the Integrity and
27 Compliance Officer any available document or other information concerning the local school
28 system's operations, budget, programs, or vendor contracts.

29 (ii) **AN EMPLOYEE OR OFFICIAL OF THE LOCAL SCHOOL SYSTEM**
30 **MAY NOT CREATE ANY DOCUMENT, INFORMATION, OR REPORT FOR THE INTEGRITY**
31 **AND COMPLIANCE OFFICER.**

32 **(III) 1. The Integrity and Compliance Officer shall notify the**
33 **county board and the County Superintendent if any employee or official of the local school**

1 system fails to provide any information or document requested under this paragraph with
2 reasonable promptness.

3 2. The county board and the County Superintendent shall
4 take appropriate administrative action to produce local school system compliance with a
5 pending request for information by the Integrity and Compliance Officer.

6 (2) (i) On request from the Integrity and Compliance Officer, a vendor
7 of the local school system shall provide promptly to the Integrity and Compliance Officer
8 any available document or other information concerning any local school system vendor
9 contract, including documents related to the procurement of the contract.

10 (ii) 1. The Integrity and Compliance Officer shall notify the
11 county board, the County Superintendent, and the local school system if any vendor fails
12 to provide any information or document requested under this paragraph with reasonable
13 promptness.

14 2. The county board and the County Superintendent shall
15 take appropriate administrative or civil action to produce vendor compliance with a
16 pending request for information by the Integrity and Compliance Officer.

17 (h) (1) Each local school system employee should report any fraud, waste, or
18 abuse to the Office.

19 (2) A local school system employee, vendor, or employee of any vendor may
20 not be retaliated against or penalized, or threatened with retaliation or penalty, for
21 providing information to, cooperating with, or in any way assisting the Integrity and
22 Compliance Officer in connection with any activity authorized by this section.

23 (3) The Integrity and Compliance Officer may not disclose the identity of a
24 person that reports an allegation of fraud, waste, or abuse unless:

25 (i) The reporting person consents to disclosure of the person's
26 identity;

27 (ii) Disclosure is reasonably necessary to complete an audit or
28 investigation; or

29 (iii) Another person is legally entitled to disclosure of the identity of
30 the reporting person.

31 (i) (1) The Integrity and Compliance Officer may administer an oath or
32 affirmation or take an affidavit from any person if necessary to perform the duties under
33 this section.

1 (2) The Integrity and Compliance Officer may administer an oath and take
2 a deposition and other testimony for the purpose of investigating fraud, waste, or abuse
3 within the local school system.

4 (3) The Integrity and Compliance Officer may subpoena any person or
5 evidence for the purpose of investigating fraud, waste, or abuse within the local school
6 system.

7 (4) If a person fails to comply with a lawful order or subpoena issued under
8 this subsection, on petition of the Integrity and Compliance Officer, a court of competent
9 jurisdiction may compel:

10 (i) Compliance with the order or subpoena; or

11 (ii) Testimony or the production of evidence.

12 (j) (1) Each year the Integrity and Compliance Officer shall submit to the
13 [county board] **COUNTY EXECUTIVE AND THE COUNTY COUNCIL** a projected budget for
14 the Office for the upcoming fiscal year.

15 (2) [The county board shall include in the county board's annual operating
16 budget proposal the amounts recommended by the Integrity and Compliance Officer for the
17 Office for the upcoming fiscal year] **SUBJECT TO APPROVAL OF THE OFFICE'S**
18 **PROJECTED BUDGET BY THE COUNTY COUNCIL, THE PROJECTED BUDGET SHALL**
19 **BE INCLUDED IN THE ANNUAL OPERATING BUDGET PROPOSAL OF THE COUNTY.**

20 (3) **(I) FOLLOWING SUBMISSION OF THE PROPOSED BUDGET, THE**
21 **INTEGRITY AND COMPLIANCE OFFICER SHALL PREPARE AN ANNUAL REPORT**
22 **SUMMARIZING THE ACTIVITIES, FINDINGS, RECOMMENDATIONS, AND**
23 **ACCOMPLISHMENTS OF THE OFFICE FOR THE PREVIOUS FISCAL YEAR.**

24 **(II) THE OFFICE SHALL SUBMIT THE ANNUAL REPORT TO THE**
25 **COUNTY COUNCIL FOR REVIEW AND APPROVAL BEFORE PUBLICATION.**

26 **(III) ON APPROVAL BY THE COUNTY COUNCIL, THE ANNUAL**
27 **REPORT SHALL BE PUBLISHED ON THE OFFICE'S WEBSITE.**

28 **(IV) THE PUBLISHED ANNUAL REPORT SHALL INCLUDE THE**
29 **OBJECTIVES, METRICS, PRIORITIES, SCHEDULED AUDITS, AND INVESTIGATIONS OF**
30 **THE OFFICE, BASED ON THE MOST RECENT RISK ASSESSMENT, WITH ANY WRITTEN**
31 **COMMENTS OR RESPONSES BY THE LOCAL SCHOOL SYSTEM.**

32 **(V) THE ANNUAL REPORT SHALL HIGHLIGHT PROGRESS**
33 **TOWARD THE GOALS AND PRIORITIES OUTLINED IN THE APPROVED WORK PLAN.**

1 **(4) (I) THE ANNUAL REPORT SHALL DEMONSTRATE COST SAVINGS**
2 **TO THE LOCAL SCHOOL SYSTEM THAT ARE AT LEAST FOUR TIMES THE AMOUNT OF**
3 **THE ANNUAL BUDGET OF THE OFFICE.**

4 **(II) IF THE OFFICE FAILS TO MEET THE COST SAVINGS**
5 **REQUIRED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH, THE OFFICE SHALL BE**
6 **ABOLISHED IN THE SUBSEQUENT FISCAL YEAR.**

7 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
8 1, 2025.