
SUBSTITUTE HOUSE BILL 1719

State of Washington

54th Legislature

1995 Regular Session

By House Committee on Children & Family Services (originally sponsored by Representatives Boldt, Koster, Cooke, Carlson, Stevens, Benton, Dyer, Padden and Thompson)

Read first time 03/01/95.

1 AN ACT Relating to the office of inspector general within the
2 department of social and health services; amending RCW 41.06.076;
3 adding new sections to chapter 43.20A RCW; creating a new section;
4 providing an effective date; and declaring an emergency.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 NEW SECTION. **Sec. 1.** This act shall be cited as the "department
7 of social and health services inspector general act of 1995."

8 NEW SECTION. **Sec. 2.** As used throughout this chapter:

9 (1) "Disclosable information" means public information that (a) is
10 not exempt from disclosure under chapter 42.17 RCW; (b) does not
11 pertain to an ongoing investigation; and (c) has not previously been
12 disclosed in a public record.

13 (2) "Fraud or abuse" means acts and practices of fraud or abuse in
14 programs administered by the department and fraud in the provision of
15 the department's programs. This does not include provider fraud as it
16 relates to the department's administration of funds pursuant to Title
17 XIX of the social security act, medicaid.

1 (3) "Inspector general" means the inspector general of the
2 department.

3 (4) "Office" means the office of the inspector general of the
4 department.

5 NEW SECTION. **Sec. 3.** There is established in the department an
6 office of inspector general in order to create an independent unit to:

7 (1) Conduct and supervise investigations relating to allegations of
8 fraud or abuse;

9 (2) Provide leadership and coordination in recommending policies
10 and procedures designed to detect and prevent fraud and abuse; and

11 (3) Provide a method of informing the secretary and the legislature
12 about vulnerabilities and deficiencies relating to the detection and
13 prevention of fraud or abuse as may be discovered as a result of
14 completed investigations conducted or coordinated by the office.

15 NEW SECTION. **Sec. 4.** (1) The head of the office is the inspector
16 general, who shall be appointed by the governor solely on the basis of
17 integrity and demonstrated ability in law enforcement management,
18 public administration, and investigations. The inspector general shall
19 be a member of the Washington state bar association. The inspector
20 general shall report to and be under the general supervision of the
21 secretary in all matters related to fraud and program integrity.

22 (2) The inspector general shall only be removed from office by the
23 governor.

24 (3) If the inspector general discovers that improper governmental
25 action, as defined in RCW 42.40.020, has occurred during an
26 investigation with respect to an employee, such as an abuse of
27 authority so as to impede or interfere with an investigation, then the
28 inspector general may report the improper governmental action to the
29 auditor under chapter 42.40 RCW.

30 NEW SECTION. **Sec. 5.** (1) It is the duty and responsibility of the
31 inspector general to:

32 (a) Conduct, supervise, coordinate, and provide policy direction
33 for fraud investigations and program integrity as it relates to fraud;

34 (b) Review proposed legislation and rules relating to the detection
35 and prevention of fraud in programs administered by the department, and
36 make recommendations for improvement;

1 (c) Recommend policies for and coordinate activities carried out or
2 financed by the department for the purpose of preventing and detecting
3 fraud or abuse;

4 (d) Recommend policies for, and conduct, supervise, and coordinate,
5 relationships between the department and federal, state, and local
6 governmental agencies, and nongovernmental entities, with respect to:

7 (i) Matters relating to the prevention and detection of fraud or abuse
8 in programs and operations administered by the department; or (ii) the
9 identification and prosecution of participants in such fraud or abuse;
10 and

11 (e) Keep the secretary and the legislature informed by means of
12 reports concerning the detection and prevention of fraud or abuse, and
13 to make recommendations for improvement of the activities.

14 (2) In carrying out the duties and responsibilities established in
15 sections 2 through 8 of this act, the inspector general shall refer all
16 investigations in which the inspector general has found substantial
17 evidence supporting a finding of a violation of federal or state
18 criminal law to the appropriate prosecuting authority for possible
19 criminal prosecution.

20 NEW SECTION. **Sec. 6.** (1) The inspector general, jointly with the
21 secretary, shall, not later than July 31st of each year, prepare an
22 annual report to the legislature, summarizing the activities of the
23 office during the immediately preceding year ending June 30th. The
24 report shall contain only disclosable information, including:

25 (a) A description of significant vulnerabilities or deficiencies
26 relating to the prevention and detection of fraud or abuse discovered
27 as a result of investigations completed during the reporting period,
28 and a description of significant deficiencies relating to the
29 administration of programs and operations of the department discovered
30 as a result of investigations completed during the reporting period;

31 (b) Recommendations for improving the activities of the office with
32 respect to the deficiencies identified under (a) of this subsection;

33 (c) An identification of each significant recommendation described
34 in the previous annual reports on which corrective action has or has
35 not been completed;

36 (d) A summary of matters referred to prosecution authorities during
37 the reporting period and the charges filed and convictions entered

1 during the reporting period that have resulted from referrals by the
2 office;

3 (e) A summary of each report made to the secretary under section
4 7(2) of this act during the reporting period;

5 (f) Any comments the secretary determines to be appropriate.

6 (2) The inspector general shall forward a draft of the report to
7 the secretary not less than twenty days prior to the date that the
8 report is to be issued.

9 (3) Within sixty days after the transmission of the annual report
10 of the inspector general to the legislature, the secretary shall make
11 copies of the report available to the public upon request and at a
12 reasonable cost.

13 NEW SECTION. **Sec. 7.** (1) In carrying out the provisions of
14 sections 2 through 8 of this act, the inspector general is authorized
15 to:

16 (a) Have prompt access to all individuals, records, electronic
17 data, reports, audits, reviews, documents, and other materials
18 available to the department that relate to operations of the office
19 that is not otherwise prohibited from disclosure to the inspector
20 general;

21 (b) Request such information or assistance as may be necessary for
22 carrying out the duties and responsibilities provided by sections 2
23 through 8 of this act from any federal, state, or local governmental
24 agency or unit of a governmental agency;

25 (c) Issue subpoenas for witnesses, documents, information, and
26 other data necessary in the furtherance of an investigation conducted
27 by the office. Such subpoenas are enforceable pursuant to RCW
28 34.05.588. Prior to issuing subpoenas to a state agency, the inspector
29 general shall make a reasonable request to the agency for documents and
30 information in possession of the agency;

31 (d) Administer oaths and take testimony, if necessary in the
32 performance of the duties and responsibilities provided in sections 2
33 through 8 of this act, unless otherwise prohibited by law;

34 (e) Have reasonable access to the secretary or his or her designee
35 when necessary in the performance of the duties and responsibilities
36 provided by sections 2 through 8 of this act;

37 (f) Appoint not more than two deputies;

1 (g) To the extent and in such amounts as may be provided by
2 appropriations, select, appoint, and employ such personnel as may be
3 necessary to carry out the provisions of sections 2 through 8 of this
4 act;

5 (h) To the extent and in such amounts as may be provided by
6 appropriations, enter into contracts and other arrangements for audits,
7 studies, analyses, and other services with public agencies and with
8 private persons, and to make such payments necessary to carry out the
9 provisions of sections 2 through 8 of this act, subject to compliance
10 with civil service laws, collective bargaining agreements, and other
11 applicable law; and

12 (i) To the extent and in such amounts as may be provided by
13 appropriations, purchase or lease facilities, equipment, and supplies
14 necessary to carry out the provisions of sections 2 through 8 of this
15 act.

16 (2) Whenever information or assistance requested under subsection
17 (1) (a) or (c) of this section is, in the judgment of the inspector
18 general, unreasonably refused or not provided, the inspector general
19 shall report the circumstances to the secretary without delay.

20 NEW SECTION. **Sec. 8.** (1) The inspector general may receive and
21 investigate complaints or information from an employee of the
22 department concerning the possible existence of an activity
23 constituting a violation of law, rules, or regulations, or
24 mismanagement, gross waste of funds, abuse of authority, or a
25 substantial and specific danger to the public health and safety.

26 (2) The inspector general shall not, after receipt of a complaint
27 or information from an employee, disclose the identity of the employee
28 without the consent of the employee, unless the inspector general
29 determines such disclosure is unavoidable during the course of
30 investigation, except as otherwise provided by state law.

31 (3) Any employee who has authority to take, direct others to take,
32 recommend, or approve any personnel action, shall not, with respect to
33 such authority, take or threaten to take any action against any
34 employee as a reprisal for making a complaint or disclosing information
35 to the inspector general, unless the complaint was made with willful
36 disregard for its truth or falsity.

1 NEW SECTION. **Sec. 9.** Sections 2 through 8 of this act are each
2 added to chapter 43.20A RCW.

3 **Sec. 10.** RCW 41.06.076 and 1993 c 281 s 22 are each amended to
4 read as follows:

5 In addition to the exemptions set forth in RCW 41.06.070, the
6 provisions of this chapter shall not apply in the department of social
7 and health services to the secretary; the secretary's executive
8 assistant, if any; not to exceed six assistant secretaries, thirteen
9 division directors, six regional directors; one confidential secretary
10 for each of the above-named officers; not to exceed six bureau chiefs;
11 the inspector general and deputy inspector generals; and all
12 superintendents of institutions of which the average daily population
13 equals or exceeds one hundred residents: PROVIDED, That each such
14 confidential secretary must meet the minimum qualifications for the
15 class of secretary II as determined by the Washington personnel
16 resources board.

17 NEW SECTION. **Sec. 11.** This act is necessary for the immediate
18 preservation of the public peace, health, or safety, or support of the
19 state government and its existing public institutions, and shall take
20 effect July 1, 1995.

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