

# SENATE BILL REPORT

## SB 5257

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As Reported By Senate Committee On:  
Commerce, Trade, Housing & Financial Institutions, February 9, 1999

**Title:** An act relating to criminal history record checks of prospective appointees and employees of the state investment board.

**Brief Description:** Providing a procedure for the state investment board to check the criminal history of prospective appointees and employees.

**Sponsors:** Senators Snyder, Sellar, Winsley, Prentice and Hale; by request of State Investment Board.

**Brief History:**

**Committee Activity:** Commerce, Trade, Housing & Financial Institutions: 2/4/99, 2/9/99 [DP].

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### SENATE COMMITTEE ON COMMERCE, TRADE, HOUSING & FINANCIAL INSTITUTIONS

**Majority Report:** Do pass.

Signed by Senators Prentice, Chair; Shin, Vice Chair; Benton, Deccio, Gardner, Hale, Heavey, Rasmussen, T. Sheldon and Winsley.

**Staff:** Susan Jones (786-7784)

**Background:** The Legislature created the Washington State Investment Board (SIB) in 1981. The SIB is responsible for safeguarding and investing public trust funds and retirement funds. The SIB has approximately \$46 billion in invested funds.

Currently, the SIB may conduct Washington State criminal history background checks through the Washington State Patrol (WSP). However, the SIB routinely conducts nationwide searches on candidates for open positions who may have authority over or access to a portion or all of the invested funds. The current background checks may not be sufficient for candidates who have never lived or worked in Washington State. National background checks, conducted by the FBI, may provide more safeguards for the SIB funds.

**Summary of Bill:** The SIB may require criminal history record checks through WSP and the FBI for candidates of certain positions of authority. The use of this information is limited.

**Appropriation:** None.

**Fiscal Note:** Requested on January 22, 1999.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** When SIB currently hires persons with authority for funds, or access to funds or data security systems, only Washington State Patrol criminal background checks are allowed. Often SIB has out-of-state applicants for investment officer or controller positions. Last year, SIB had finalists for positions from Kansas and Florida and the use of FBI sources to check for criminal records would have been helpful.

**Testimony Against:** None.

**Testified:** James Parker, Director of State Investment Board (pro).