

AMENDED IN SENATE JUNE 20, 2002  
AMENDED IN ASSEMBLY MAY 14, 2002  
AMENDED IN ASSEMBLY APRIL 29, 2002

CALIFORNIA LEGISLATURE—2001–02 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2425**

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**Introduced by Assembly Member Richman**  
*(Coauthor: Senator Polanco)*

February 21, 2002

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An act to amend ~~Section 35400~~ *Sections 35400 and 35401* of the Education Code, relating to the Los Angeles Unified School District.

LEGISLATIVE COUNSEL'S DIGEST

AB 2425, as amended, Richman. The Los Angeles Unified School District: Inspector General.

Existing law, until January 1, 2005, authorizes the Los Angeles Unified School District's Office of Inspector General to subpoena witnesses, administer oaths or affirmations, take testimony, and compel the production of all information, documents, reports, answers, records, accounts, papers, and other data and documentary evidence deemed material, relevant, and reasonably related to any inquiry or investigation undertaken by the inspector general when he or she has a reasonable suspicion that a law, regulation, rule, or district policy has been or is being materially violated. Existing law makes it a crime to knowingly provide the inspector general false information under oath.

This bill would extend that date to January 1, 2015, thereby imposing a state-mandated local program by extending the criminal sanctions for providing false information. The bill would, in addition, authorize the

inspector general to perform audits that are reasonably related to any inquiry or investigation undertaken by the inspector general when he or she has a ~~reasonably~~ *reasonable* suspicion that a law, regulation, rule, or district policy has been or is being materially violated.

This bill would make certain findings and declarations regarding the inapplicability of a general statute within the meaning of Section 16 of Article IV of the California Constitution.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1 SECTION 1. The Legislature finds and declares all of the  
2 following:

3 (a) The Los Angeles Unified School District projects the need  
4 to construct 85 new schools in the current decade. As a result of  
5 this, the Los Angeles Unified School District will be one of the  
6 largest single sources of contracts for real estate acquisition,  
7 environmental engineering, and public works construction in the  
8 state.

9 (b) The Los Angeles Unified School District has an annual  
10 operating budget in excess of nine billion dollars  
11 (\$9,000,000,000). The Los Angeles Unified School District is  
12 therefore a major contractor for goods and services from a large  
13 number of vendors, including, but not limited to, consultants.

14 (c) Public confidence in the Los Angeles Unified School  
15 District is critical to maintaining the integrity of the school district  
16 itself, and the willingness of voters to enact both state and local  
17 bond measures to fund the Los Angeles Unified School District's  
18 urgent school construction needs.

19 (d) The enactment of this act does not imply any judgment or  
20 finding as to the current financial condition or fiscal practices of  
21 the Los Angeles Unified School District. However, there is a  
22 widespread legitimate public expectation that the funds of the



1 school district must be allocated in the most cost-effective manner  
2 to minimize tax dollar waste or abuse. Consequently, there is a  
3 need for, both, independent and internal vigilance.

4 (e) In enacting this act it is, therefore, the intent of the  
5 Legislature to recognize that public expenditures of this  
6 magnitude require increased oversight and safeguards to avoid  
7 waste and conflicts of interest.

8 (f) Due to the unique circumstances concerning the Los  
9 Angeles Unified School District, it is necessary that the inspector  
10 general be provided with adequate oversight authority, and the  
11 Legislature finds and declares that a general statute cannot be made  
12 applicable within the meaning of Section 16 of Article IV of the  
13 California Constitution.

14 SEC. 2. Section 35400 of the Education Code is amended to  
15 read:

16 35400. (a) The Los Angeles Unified School District's  
17 Inspector General of the Office of the Inspector General is  
18 authorized to conduct audits and investigations; . *The inspector*  
19 *general may* subpoena witnesses, administer oaths or affirmations,  
20 take testimony, and compel the production of all information,  
21 documents, reports, answers, records, accounts, papers, and other  
22 data and documentary evidence deemed material and relevant and  
23 that reasonably relate to the inquiry or investigation undertaken by  
24 the inspector general when he or she has a reasonable suspicion  
25 that a law, regulation, rule, or district policy has been violated or  
26 is being violated. For purposes of this section, "reasonable  
27 suspicion" means that the circumstances known or apparent to the  
28 inspector general include specific and articulable facts causing  
29 him or her to suspect that a material violation of law, regulation,  
30 rule, or district policy has occurred or is occurring, and that the  
31 facts would cause a reasonable officer in a like position to suspect  
32 that a material violation of a law, regulation, rule, or district  
33 bulletin has occurred or is occurring.

34 (b) Subpoenas shall be served in the manner provided by law  
35 for service of summons. Any subpoena issued pursuant to this  
36 section may be subject to challenge pursuant to Chapter 2  
37 (commencing with Section 1985) of Title 3 of Part 4 of the Code  
38 of Civil Procedure.

39 (c) For purposes of this section, Sections 11184, 11185, 11186,  
40 11187, 11188, 11189, 11190, and 11191 of the Government Code



1 shall apply to the subpoenaing of witnesses and documents,  
2 reports, answers, records, accounts, papers, and other data and  
3 documentary evidence as if the investigation was being conducted  
4 by a state department head, except that the applicable court for  
5 resolving motions to compel or motions to quash shall be the  
6 Superior Court for the County of Los Angeles.

7 (d) Notwithstanding any other provision of the law, any person  
8 who, after the administration of an oath or affirmation pursuant to  
9 this section, states or affirms as true any material matter that he or  
10 she knows to be false is guilty of a misdemeanor punishable by  
11 imprisonment in a county jail not to exceed six months or by a fine  
12 not to exceed five thousand dollars (\$5,000), or by both that fine  
13 and imprisonment for the first offense. Any subsequent violation  
14 shall be punishable by imprisonment in a county jail not to exceed  
15 one year or by a fine not to exceed ten thousand dollars (\$10,000),  
16 or by both that fine and imprisonment.

17 (e) The inspector general shall submit an interim report to the  
18 Legislature by July 1, 2000, annual interim reports by July 1 of  
19 each succeeding year, and a final cumulative report by December  
20 1, 2014, on all of the following:

21 (1) The use and effectiveness of the subpoena power authorized  
22 by this section in the successful completion of the inspector  
23 general's duties.

24 (2) Any use of the subpoena power in which the issued  
25 subpoena was quashed, including the basis for the court's order.

26 (3) Any referral to the local district attorney or the Attorney  
27 General where the district attorney or Attorney General declined  
28 to investigate the matter further or declined to prosecute.

29 (f) This article shall remain in effect only until January 1, 2015,  
30 and as of that date is repealed, unless a later enacted statute, that  
31 is enacted before January 1, 2015, deletes or extends that date.

32 SEC. 3. *Section 35401 of the Education Code is amended to*  
33 *read:*

34 35401. (a) If the inspector general determines that there is  
35 reasonable cause to believe that an employee or outside agency has  
36 engaged in any illegal activity, he or she shall report the nature and  
37 details of the activity on a timely basis to the local district attorney  
38 or the Attorney General.

39 (b) The inspector general shall not have any enforcement  
40 power.



1 (c) Every investigation, *including, but not limited to, all*  
2 *investigative files and work-product*, shall be kept confidential,  
3 except that the inspector general may issue any report of an  
4 investigation that has been substantiated, keeping confidential the  
5 identity of the individual or individuals involved, or release any  
6 findings resulting from an investigation conducted pursuant to this  
7 article that is deemed necessary to serve the interests of the district.

8 (d) This section shall not limit any authority conferred upon the  
9 Attorney General or any other department or agency of  
10 government to investigate any matter.

11 (e) Except as authorized in this section, or when called upon to  
12 testify in any court or proceeding at law, any disclosure of  
13 information by the inspector general or that office that was  
14 acquired pursuant to a subpoena of the private books, documents,  
15 or papers of the person subpoenaed, is punishable as a  
16 misdemeanor. No reimbursement is required by this act pursuant  
17 to Section 6 of Article XIII B of the California Constitution  
18 because the only costs that may be incurred by a local agency or  
19 school district will be incurred because this act creates a new crime  
20 or infraction, eliminates a crime or infraction, or changes the  
21 penalty for a crime or infraction, within the meaning of Section  
22 17556 of the Government Code, or changes the definition of a  
23 crime within the meaning of Section 6 of Article XIII B of the  
24 California Constitution.

