

**ASSEMBLY BILL**

**No. 1820**

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**Introduced by Assembly Members Portantino and Jeffries**

February 11, 2010

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An act to add Chapter 6.7 (commencing with Section 8549) to Division 1 of Title 2 of the Government Code, relating to the Office of the California Inspector General.

LEGISLATIVE COUNSEL'S DIGEST

AB 1820, as introduced, Portantino. Office of the California Inspector General: establishment.

Existing law establishes the Bureau of State Audits, free of executive branch and legislative control, to independently examine records, administer oaths, issue subpoenas, and use other discovery tools to conduct, and report upon, financial and performance audits of every state agency, as defined, constitutional office, and local governmental agency. The head of the bureau is the State Auditor, who is appointed by the Governor from a list of nominees created by both houses of the Legislature. The State Auditor is chosen without reference to political affiliation and solely on the grounds of fitness to perform the duties of the office. The State Auditor may be removed for cause at any time by a concurrent resolution of the Legislature. The State Auditor also appoints a Chief Deputy State Auditor and employs professional assistants, including deputy state auditors, and other officers and employees for the effective conduct of the work under his or her charge. The State Auditor also administers the California Whistleblower Protection Act to provide a procedure for state employees to report waste, fraud, abuse of authority, violation of law, or threat to public health without fear of retribution.

This bill would establish the Office of the California Inspector General to investigate fraud, corruption, waste, mismanagement, misconduct, and abuse in the expenditure of public funds by a covered agency, as defined. This bill would further establish that the office is headed by the California Inspector General, who is appointed to a 4-year term by the Governor with the consent of the Senate. This bill would authorize the Legislature to remove the California Inspector General by a majority vote of the membership of the Senate and a majority of the membership of the Assembly. This bill would authorize the office to issue subpoenas, administer oaths, and conduct other forms of investigation into a covered agency, including requiring an officer or employee of a covered agency to answer questions concerning any matter related to the performance of his or her official duties. This bill would also impose a duty on every officer and employee of a covered agency to report to the California Inspector General specified information concerning the improper conduct of any other state officer or employee relating to his or her office or employment, or concerning a person having business dealings with a covered agency, and require disciplinary action for a failure to make a required report. This bill would further require the head of a covered agency to report to the Legislature and the Governor on remedial action that a covered agency has taken in response to any recommendation by the California Inspector General.

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

*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) Californians are entitled to a state government that is  
4 committed to the highest standards of integrity, efficiency, and  
5 accountability. It is the intent of the Legislature to establish the  
6 Office of the California Inspector General to act as a separate state  
7 entity entrusted with the responsibility of ensuring that state  
8 officials and employees meet these fundamentally important  
9 standards. The Office of the California Inspector General is  
10 dedicated to promoting an environment that instills public  
11 confidence in state government for public employees and citizens  
12 alike.

1 (b) The mission of the Office of the California Inspector General  
2 is to detect, investigate, deter, and eliminate corruption, fraud,  
3 criminal activity, conflicts of interest, abuses of office, and waste  
4 in the state entities under its jurisdiction, including, but not limited  
5 to, state agencies, departments, divisions, offices, boards, and  
6 commissions.

7 (c) The Office of the California Inspector General will  
8 vigorously and fairly investigate allegations of misconduct and  
9 conduct audits and systemic reviews of state agency programs and  
10 procedures, and recommend improvements for positive and  
11 permanent reform of agency operations.

12 (d) The Office of the California Inspector General will perform  
13 these functions with a professional staff of trained investigators,  
14 experienced attorneys, and skilled forensic analysts who possess  
15 a broad range of expertise and a commitment to combating  
16 corruption and promoting greater efficiency in state government.  
17 Where possible, the Office of the California Inspector General will  
18 use resources of the existing agencies and their professional  
19 employees and staff to avoid expensive duplication of effort.

20 SEC. 2. Chapter 6.7 (commencing with Section 8549) is added  
21 to Division 1 of Title 2 of the Government Code, to read:

22  
23 CHAPTER 6.7. CALIFORNIA INSPECTOR GENERAL  
24

25 8549. (a) There is hereby created in state government the  
26 Office of the California Inspector General.

27 (b) The head of the office is the California Inspector General,  
28 who shall be appointed by the Governor with the consent of the  
29 Senate. The term of an individual appointed as the California  
30 Inspector General shall be four years. The California Inspector  
31 General shall be removed from office by a majority vote of the  
32 membership of the Senate and a majority vote of the membership  
33 of the Assembly.

34 (c) The California Inspector General may appoint a Chief  
35 Deputy Inspector General and employ officers and employees he  
36 or she deems necessary for the conduct of the office.

37 (d) The annual salary for the California Inspector General shall  
38 be equal to that of agency secretaries of the executive branch of  
39 government pursuant to Section 11550.

1 8549.5. Unless the context requires otherwise, the following  
2 terms shall have the following meanings for the purposes of this  
3 chapter:

4 (a) “Covered agency” means all state agencies, constitutional  
5 offices, departments, divisions, officers, boards, commissions, and  
6 public authorities and public benefit corporations the heads of  
7 which are appointed by the Governor.

8 (b) “Office” means the Office of the California Inspector  
9 General.

10 8549.10. The office has jurisdiction to investigate all covered  
11 agencies.

12 8549.15. The office shall have all of the following duties:

13 (a) Prevent and detect fraud, corruption, waste, mismanagement,  
14 misconduct, and abuse in the expenditure of public funds.

15 (b) Upon the discretion of the California Inspector General or  
16 the receipt of a complaint, investigate allegations of corruption,  
17 fraud, criminal activity, waste of government assets, failure to  
18 comply with federal or state law, conflicts of interest, or abuse in  
19 any covered agency.

20 (c) Inform the heads of covered agencies of allegations of  
21 wrongdoing and the progress of investigations, unless special  
22 circumstances require confidentiality.

23 (d) Determine with respect to allegations of wrongdoing whether  
24 disciplinary action, civil action, criminal prosecution, or further  
25 investigation by an appropriate federal, state or local agency is  
26 warranted, and to assist in those investigations.

27 (e) Prepare and release to the public written reports of  
28 investigations, as appropriate and to the extent permitted by law,  
29 subject to redactions to protect the confidentiality of witnesses.  
30 The office may defer the release of all, or a portion of, a report to  
31 protect the confidentiality of an ongoing investigation.

32 (f) Review and examine periodically the policies and procedures  
33 of any covered agency with regard to the prevention and detection  
34 of corruption, fraud, criminal activity, conflicts of interest, or  
35 abuse.

36 (g) Recommend remedial action to prevent or eliminate  
37 corruption, fraud, criminal activity, conflicts of interest, or abuse  
38 in any covered agency.

39 (h) Establish programs for training state officers and employees  
40 regarding the prevention and elimination of corruption, fraud,

1 criminal activity, conflicts of interest, or abuse in any covered  
2 agency.

3 8549.20. The office shall have all of the following powers:

4 (a) Subpoena and enforce the attendance of witnesses.

5 (b) Administer oaths or affirmations and examine witnesses  
6 under oath.

7 (c) Require the production of any books and papers the office  
8 deems relevant to any investigation, examination, or review it is  
9 conducting.

10 (d) Notwithstanding any law to the contrary, examine documents  
11 or records of any kind prepared, maintained, or held by a covered  
12 agency.

13 (e) Require an officer or employee in a covered agency to  
14 answer questions concerning any matter related to the performance  
15 of his or her official duties.

16 (f) Monitor the implementation by a covered agency of any  
17 recommendation made by the California Inspector General.

18 (g) Perform any other function that is necessary or appropriate  
19 to fulfill the duties and responsibilities of office.

20 8549.25. (a) Every officer and employee of a covered agency  
21 shall report to the California Inspector General any information  
22 concerning corruption, fraud, criminal activity, conflicts of interest,  
23 or abuse by any other state officer or employee relating to his or  
24 her office or employment or by a person having business dealings  
25 with a covered agency relating to those dealings. The knowing  
26 failure of an officer or employee to make a report required by this  
27 subdivision shall be cause for disciplinary action.

28 (b) The head of any covered agency shall advise the Legislature  
29 and the Governor within 90 days of the issuance of a report by the  
30 California Inspector General as to the remedial action that the  
31 covered agency has taken in response to any recommendation for  
32 such action contained in the report.

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