

VIRGINIA ACTS OF ASSEMBLY — CHAPTER

An Act to amend and reenact § 2.2-3705.3 of the Code of Virginia and to amend the Code of Virginia by adding in Title 2.2 a chapter numbered 30.1, consisting of sections numbered 2.2-3009 through 2.2-3014, relating to the Fraud and Abuse Whistle Blower Protection Act.

[H 1799]

Approved

Be it enacted by the General Assembly of Virginia:

1. That § 2.2-3705.3 of the Code of Virginia is amended and reenacted and that the Code of Virginia is amended by adding in Title 2.2 a chapter numbered 30.1, consisting of sections numbered 2.2-3009 through 2.2-3014, as follows:

CHAPTER 30.1.

THE FRAUD AND ABUSE WHISTLE BLOWER PROTECTION ACT.

§ 2.2-3009. Policy.

It shall be the policy of the Commonwealth that employees of state government be freely able to report instances of wrongdoing or abuse committed by their employing agency, other state agencies, or independent contractors of state agencies.

§ 2.2-3010. Definitions.

As used in this chapter:

"Abuse" means an employer's or employee's conduct or omissions that result in substantial misuse, destruction, waste, or loss of funds or resources belonging to or derived from federal, state, or local government sources.

"Appropriate authority" means a federal or state agency or organization having jurisdiction over criminal law enforcement, regulatory violations, professional conduct or ethics, or abuse; or a member, officer, agent, representative, or supervisory employee of the agency or organization. The term also includes the Office of the Attorney General, the Division of State Internal Audit of the Department of Accounts, and the General Assembly and its committees having the power and duty to investigate criminal law enforcement, regulatory violations, professional conduct or ethics, or abuse.

"Employee" means any person who is regularly employed full time on either a salaried or wage basis, whose tenure is not restricted as to temporary or provisional appointment, in the service of and whose compensation is payable, no more often than biweekly, in whole or in part, by a state agency.

"Employer" means a person supervising one or more employees, including the employee filing a good faith report, a superior of that supervisor, or an agent of the state agency.

"Good faith report" means a report of conduct defined in this chapter as wrongdoing or abuse which is made without malice and which the person making the report has reasonable cause to believe is true.

"Misconduct" means conduct or behavior by an employee that is inconsistent with state or agency standards for which specific corrective or disciplinary action is warranted.

"State agency" means any agency, institution, board, bureau, commission, council, or instrumentality of state government in the executive branch listed in the appropriation act.

"Whistle blower" means an employee who witnesses or has evidence of wrongdoing or abuse and who makes or demonstrates by clear and convincing evidence that he is about to make a good faith report of, or testifies or is about to testify to, the wrongdoing or abuse to one of the employee's superiors, an agent of the employer, or an appropriate authority.

"Wrongdoing" means a violation, which is not of a merely technical or minimal nature, of a federal or state law or regulation or a formally adopted code of conduct or ethics of a professional organization designed to protect the interests of the public or employee.

§ 2.2-3011. Discrimination and retaliatory actions against whistle blowers prohibited; good faith required.

A. No employer may discharge, threaten, or otherwise discriminate or retaliate against a whistle blower whether acting on his own or through a person acting on his behalf or under his direction.

B. No employer may discharge, threaten, or otherwise discriminate or retaliate against a whistle blower because the whistle blower is requested or subpoenaed by an appropriate authority to participate in an investigation, hearing, or inquiry by an appropriate authority or in a court action.

C. To be protected by the provisions of this chapter, an employee who discloses information about suspected wrongdoing or abuse shall do so in good faith and upon a reasonable belief that the information is accurate. Disclosures that are reckless or the employee knew or should have known were false, confidential by law, or malicious shall not be deemed good faith reports and shall not be

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57 protected.

58 *D. Nothing in this chapter shall prohibit an employer from disciplining or discharging a whistle*
 59 *blower for his misconduct or any violation of criminal law.*

60 § 2.2-3012. Application of state grievance procedure; other remedies.

61 *A. Any whistle blower covered by the state grievance procedure (§ 2.2-3000 et seq.) may initiate a*
 62 *grievance alleging retaliation and requesting relief through that procedure.*

63 *B. Any whistle blower disclosing information of wrongdoing or abuse under this chapter where the*
 64 *disclosure results in a savings of at least \$10,000 may file a claim for reward under the Fraud and*
 65 *Abuse Whistle Blower Reward Fund established in § 2.2-3014.*

66 *C. Nothing in this chapter shall be construed to limit the remedies provided by the Virginia Fraud*
 67 *Against Taxpayers Act, Article 19.1 (§ 8.01-216.1 et seq.) of Chapter 3 of Title 8.01.*

68 § 2.2-3013. Notice to employees of whistle blower protection.

69 *An employer shall post notices and use other appropriate means to notify employees and keep them*
 70 *informed of the protection and obligations set forth in the provisions of this chapter.*

71 § 2.2-3014. Fraud and Abuse Whistle Blower Reward Fund.

72 *A. From such funds as may be appropriated by the General Assembly, there is hereby created in the*
 73 *state treasury a special nonreverting fund to be known as the Fraud and Abuse Whistle Blower Reward*
 74 *Fund, hereafter referred to as "the Fund." The Fund shall be established on the books of the*
 75 *Comptroller. Interest earned on moneys in the Fund shall remain in the Fund and be credited to it. Any*
 76 *moneys remaining in the Fund, including interest thereon, at the end of each fiscal year shall not revert*
 77 *to the general fund but shall remain in the Fund. Moneys in the Fund shall be used solely to provide*
 78 *monetary rewards to persons who have disclosed information of wrongdoing or abuse under the Fraud*
 79 *and Abuse Whistle Blower Protection Act (§ 2.2-3009 et seq.) and the disclosure results in a savings of*
 80 *at least \$ 10,000. The amount of the reward shall be equal to one percent (1%) of the total amount of*
 81 *savings realized by the Commonwealth as a result of the disclosure of the wrongdoing or abuse, not to*
 82 *exceed \$ 5,000. Expenditures and disbursements from the Fund shall be made by the State Treasurer on*
 83 *warrants issued by the Comptroller upon written request signed by the Division of State Internal Audit*
 84 *of the Department of Accounts.*

85 *B. The Division of State Internal Audit of the Department of Accounts shall promulgate regulations*
 86 *for the proper administration of the Fund including eligibility requirements and procedures for filing a*
 87 *claim.*

88 § 2.2-3705.3. Exclusions to application of chapter; records relating to administrative investigations.

89 The following records are excluded from the provisions of this chapter but may be disclosed by the
 90 custodian in his discretion, except where such disclosure is prohibited by law:

91 1. Confidential records of all investigations of applications for licenses and permits, and of all
 92 licensees and permittees, made by or submitted to the Alcoholic Beverage Control Board, the State
 93 Lottery Department, the Virginia Racing Commission, the Department of Agriculture and Consumer
 94 Services relating to investigations and applications pursuant to Article 1.1:1 (§ 18.2-340.15 et seq.) of
 95 Chapter 8 of Title 18.2, or the Private Security Services Unit of the Department of Criminal Justice
 96 Services.

97 2. Records of active investigations being conducted by the Department of Health Professions or by
 98 any health regulatory board in the Commonwealth.

99 3. Investigator notes, and other correspondence and information, furnished in confidence with respect
 100 to an active investigation of individual employment discrimination complaints made to the Department
 101 of Human Resource Management or to such personnel of any local public body, including local school
 102 boards as are responsible for conducting such investigations in confidence. However, nothing in this
 103 section shall prohibit the disclosure of information taken from inactive reports in a form that does not
 104 reveal the identity of charging parties, persons supplying the information or other individuals involved in
 105 the investigation.

106 4. Records of active investigations being conducted by the Department of Medical Assistance
 107 Services pursuant to Chapter 10 (§ 32.1-323 et seq.) of Title 32.1.

108 5. Investigative notes and other correspondence and information furnished in confidence with respect
 109 to an investigation or conciliation process involving an alleged unlawful discriminatory practice under
 110 the Virginia Human Rights Act (§ 2.2-3900 et seq.) or under any local ordinance adopted in accordance
 111 with the authority specified in § 2.2-2638, or adopted pursuant to § 15.2-965, or adopted prior to July 1,
 112 1987, in accordance with applicable law, relating to local human rights or human relations commissions.
 113 However, nothing in this section shall prohibit the distribution of information taken from inactive reports
 114 in a form that does not reveal the identity of the parties involved or other persons supplying
 115 information.

116 6. Records of studies and investigations by the State Lottery Department of (i) lottery agents, (ii)
 117 lottery vendors, (iii) lottery crimes under §§ 58.1-4014 through 58.1-4018, (iv) defects in the law or

regulations that cause abuses in the administration and operation of the lottery and any evasions of such provisions, or (v) the use of the lottery as a subterfuge for organized crime and illegal gambling where such official records have not been publicly released, published or copyrighted. All studies and investigations referred to under clauses (iii), (iv) and (v) shall be open to inspection and copying upon completion of the study or investigation.

7. Investigative notes, correspondence and information furnished in confidence, and records otherwise exempted by this chapter or any Virginia statute, provided to or produced by or for the (i) Auditor of Public Accounts; (ii) Joint Legislative Audit and Review Commission; (iii) *an appropriate authority as defined in § 2.2-3010 with respect to an allegation of wrongdoing or abuse under the Fraud and Abuse Whistle Blower Protection Act (§ 2.2-3009 et seq.)*; (iv) Department of the State Internal Auditor with respect to an investigation initiated through the State Employee Fraud, Waste and Abuse Hotline; ~~(iv)~~ (v) committee or the auditor with respect to an investigation or audit conducted pursuant to § 15.2-825; or ~~(v)~~ (vi) auditors, appointed by the local governing body of any county, city or town or a school board, who by charter, ordinance, or statute have responsibility for conducting an investigation of any officer, department or program of such body. Records of completed investigations shall be disclosed in a form that does not reveal the identity of the complainants or persons supplying information to investigators. Unless disclosure is prohibited by this section, the records disclosed shall include, but not be limited to, the agency involved, the identity of the person who is the subject of the complaint, the nature of the complaint, and the actions taken to resolve the complaint. If an investigation does not lead to corrective action, the identity of the person who is the subject of the complaint may be released only with the consent of the subject person. Local governing bodies shall adopt guidelines to govern the disclosure required by this subdivision.

8. Records of the Virginia Office for Protection and Advocacy consisting of documentary evidence received or maintained by the Office or its agents in connection with specific complaints or investigations, and records of communications between employees and agents of the Office and its clients or prospective clients concerning specific complaints, investigations or cases. Upon the conclusion of an investigation of a complaint, this exclusion shall no longer apply, but the Office may not at any time release the identity of any complainant or person with mental illness, mental retardation, developmental disabilities or other disability, unless (i) such complainant or person or his legal representative consents in writing to such identification or (ii) such identification is required by court order.

9. Information furnished in confidence to the Department of Employment Dispute Resolution with respect to an investigation, consultation, or mediation under Chapter 10 (§ 2.2-1000 et seq.) of this title, and memoranda, correspondence and other records resulting from any such investigation, consultation or mediation. However, nothing in this section shall prohibit the distribution of information taken from inactive reports in a form that does not reveal the identity of the parties involved or other persons supplying information.

10. The names, addresses and telephone numbers of complainants furnished in confidence with respect to an investigation of individual zoning enforcement complaints made to a local governing body.

11. Records of active investigations being conducted by the Department of Criminal Justice Services pursuant to Article 4 (§ 9.1-138 et seq.), Article 4.1 (§ 9.1-150.1 et seq.), Article 11 (§ 9.1-185 et seq.), and Article 12 (§ 9.1-186 et seq.) of Chapter 1 of Title 9.1.

12. Records furnished to or prepared by the Board of Education pursuant to subsection D of § 22.1-253.13:3 in connection with the review or investigation of any alleged breach in security, unauthorized alteration, or improper administration of tests by local school board employees responsible for the distribution or administration of the tests. However, this section shall not prohibit the disclosure of records to (i) a local school board or division superintendent for the purpose of permitting such board or superintendent to consider or to take personnel action with regard to an employee or (ii) any requester, after the conclusion of a review or investigation, in a form that (a) does not reveal the identity of any person making a complaint or supplying information to the Board on a confidential basis and (b) does not compromise the security of any test mandated by the Board.

13. Investigator notes, and other correspondence and information, furnished in confidence with respect to an active investigation conducted by or for the Board of Education related to the denial, suspension, or revocation of teacher licenses. However, this subdivision shall not prohibit the disclosure of records to a local school board or division superintendent for the purpose of permitting such board or superintendent to consider or to take personnel action with regard to an employee. Records of completed investigations shall be disclosed in a form that does not reveal the identity of any complainant or person supplying information to investigators. The records disclosed shall include information regarding the school or facility involved, the identity of the person who was the subject of the complaint, the nature of the complaint, and the actions taken to resolve the complaint. If an investigation fails to support a complaint or does not lead to corrective action, the identity of the person who was the subject of the

179 complaint may be released only with the consent of the subject person. No personally identifiable
180 information in the records regarding a current or former student shall be released except as permitted by
181 state or federal law.

182 14. Records, notes and information provided in confidence and related to an investigation by the
183 Attorney General under Article 1 (§ 3.2-4200 et seq.) or Article 3 (§ 3.2-4204 et seq.) of Chapter 42 of
184 Title 3.2, Article 10 (§ 18.2-246.6 et seq.) of Chapter 6 or Chapter 13 (§ 18.2-512 et seq.) of Title 18.2,
185 or Article 1 (§ 58.1-1000) of Chapter 10 of Title 58.1. However, records related to an investigation that
186 has been inactive for more than six months shall, upon request, be disclosed provided such disclosure is
187 not otherwise prohibited by law and does not reveal the identity of charging parties, complainants,
188 persons supplying information, witnesses or other individuals involved in the investigation.