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HOUSE BILL NO. 1810

House Amendments in [] — January 27, 1997

A BILL to amend and reenact § 2.1-155.3 of the Code of Virginia, relating to procedures for reporting fraudulent transactions to the Auditor of Public Accounts and the Superintendent of State Police; cooperation with any subsequent investigation or audit.

Patrons—Murphy, Callahan, Councill, Croshaw, DeBoer, Dickinson, Hall, Parrish and Putney; Senators: Gartlan, Holland, Miller, K.G. and Walker

Referred to Committee on General Laws

Be it enacted by the General Assembly of Virginia:**1. That § 2.1-155.3 of the Code of Virginia is amended and reenacted as follows:**

§ 2.1-155.3. State agencies, courts, and local constitutional officers to report certain fraudulent transactions; penalty.

A. Upon the discovery of circumstances suggesting a reasonable possibility that a fraudulent transaction has occurred involving funds or property under the control of any state department, court, officer, board, commission, institution or other agency of the Commonwealth, including local constitutional officers and appointed officials exercising the powers of elected constitutional officers, as to which one or more officers or employees of state or local government may be party thereto, the state agency head, court clerk or local official in charge of such entity shall forthwith report such information as is available to the Auditor of Public Accounts ("Auditor") and the ~~Department~~ Superintendent of State Police ~~and shall cooperate to the fullest extent in any audit or investigation which may occur~~ ("Superintendent").

B. The Auditor or the Superintendent shall review the information reported pursuant to subsection A and individually determine the most appropriate method to investigate the information. In the event that the Auditor or the Superintendent determines to conduct an investigation, he shall notify the other of the commencement of such investigation as soon as practicable, unless the information involves the Auditor or the Superintendent.

C. No state department, court, officer, board, commission, institution or other agency of the Commonwealth, including local constitutional officers and appointed officials exercising the powers of elected constitutional officers, shall employ or contract with any person, firm, corporation, or other legal entity to conduct an investigation or audit of information reported pursuant to subsection A without obtaining the prior written approval from the Auditor and the Superintendent.

D. All state departments, courts, officers, boards, commissions, institutions or other agencies of the Commonwealth, including local constitutional officers and appointed officials exercising the powers of elected constitutional officers and their employees, shall cooperate to the fullest extent in any investigation or audit which may occur at the direction of the Auditor or the Superintendent or both as a result of information reported pursuant to subsection A.

E. The willful failure to make the report [~~or to cooperate~~] as required herein shall constitute a Class 3 misdemeanor.

F. Nothing herein shall affect the requirements of § 52-8.2.

ENGROSSED

HB1810E