

# SENATE BILL 894

R2, P1

8lr3621  
CF 8lr1281

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By: **Senator Feldman**

Introduced and read first time: February 5, 2018

Assigned to: Finance

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## A BILL ENTITLED

1 AN ACT concerning

2 **Metro Oversight Enhancement Act**

3 FOR the purpose of amending the Washington Metropolitan Area Transit Authority  
4 Compact to establish certain requirements for the appointment and removal of the  
5 inspector general of the Washington Metropolitan Area Transit Authority by the  
6 Board of Directors of the Authority; specifying certain powers and requirements of  
7 the inspector general; requiring the Office of the Inspector General to be funded with  
8 a grant of at least a certain amount of the annual operating budget of the Authority;  
9 requiring that the Office of the Inspector General be operationally and functionally  
10 independent of the Authority; authorizing the Office of the Inspector General to  
11 engage in certain functions; specifying that any individual member of the Authority  
12 board may request that the inspector general undertake a certain audit or  
13 investigation; specifying certain requirements for the audits, investigations,  
14 inspections, and reviews conducted by the Office of the Inspector General; specifying  
15 that certain audits or investigations conducted by the Office of the Inspector General  
16 are not subject to board approval; requiring the Office of the Inspector General to  
17 submit certain reports in accordance with certain requirements and under certain  
18 circumstances; requiring all reports or other materials generated by the Office of the  
19 Inspector General to be subject to certain privacy policies of the Authority; requiring  
20 that certain reports be submitted to certain individuals and entities under certain  
21 circumstances; making this Act subject to a certain contingency; and generally  
22 relating to the inspector general and the Office of the Inspector General of the  
23 Authority.

24 BY repealing and reenacting, with amendments,  
25 Article – Transportation  
26 Section 10–204 Title III Article III Section 9  
27 Annotated Code of Maryland  
28 (2015 Replacement Volume and 2017 Supplement)

29 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 That the Laws of Maryland read as follows:

2 **Article – Transportation**

3 10–204.

4 Title III

5 Article III

6 9.

7 (a) (1) The officers of the Authority, none of whom shall be members of the  
8 board, shall consist of a general manager, a secretary, a treasurer, a comptroller, an  
9 inspector general, and a general counsel and such other officers as the board may provide.  
10 Except for the office of general manager, inspector general, and comptroller, the board may  
11 consolidate any of such other offices in one person. **[All] SUBJECT TO THE PROVISIONS**  
12 **OF THIS SUBSECTION AND SUBSECTIONS (B) THROUGH (G) OF THIS SECTION, ALL**  
13 such officers shall be appointed and may be removed by the board, shall serve at the  
14 pleasure of the board and shall perform such duties and functions as the board shall specify.  
15 The board shall fix and determine the compensation to be paid to all officers and, except for  
16 the general manager who shall be a full-time employee, all other officers may be hired on  
17 a full-time or part-time basis and may be compensated on a salary or fee basis, as the  
18 board may determine. All employees and such officers as the board may designate shall be  
19 appointed and removed by the general manager under such rules of procedure and  
20 standards as the board may determine.

21 (2) (I) 1. **SUBJECT TO SUBSUBPARAGRAPH 2 OF THIS**  
22 **SUBPARAGRAPH, THE BOARD SHALL APPOINT AN INSPECTOR GENERAL WITHOUT**  
23 **REGARD TO POLITICAL AFFILIATION AND SOLELY ON THE BASIS OF INTEGRITY AND**  
24 **A DEMONSTRATED ABILITY IN ACCOUNTING, AUDITING, FINANCIAL ANALYSIS, LAW,**  
25 **MANAGEMENT ANALYSIS, PUBLIC ADMINISTRATION, INVESTIGATION, CRIMINAL**  
26 **JUSTICE ADMINISTRATION, OR ANOTHER CLOSELY RELATED FIELD.**

27 2. **THE BOARD MAY NOT APPOINT AS AN INSPECTOR**  
28 **GENERAL AN INDIVIDUAL WHO SERVED AS AN EXECUTIVE OR MANAGER OF THE**  
29 **AUTHORITY WITHIN THE LAST FIVE YEARS.**

30 (II) **IF THE BOARD REMOVES AN INSPECTOR GENERAL FROM**  
31 **OFFICE, THE BOARD SHALL REPORT THE REASONS FOR ITS ACTIONS IN**  
32 **ACCORDANCE WITH SUBSECTION (G) OF THIS SECTION.**

33 (b) The general manager shall be the chief administrative officer of the Authority  
34 and, subject to policy direction by the board, shall be responsible for all activities of the  
35 Authority.

1 (c) The treasurer shall be the custodian of the funds of the Authority, shall keep  
2 an account of all receipts and disbursements and shall make payments only upon warrants  
3 duly and regularly signed by the chairman or vice-chairman of the board, or other person  
4 authorized by the board to do so, and by the secretary or general manager; provided,  
5 however, that the board may provide that warrants not exceeding such amounts or for such  
6 purposes as may from time to time be specified by the board may be signed by the general  
7 manager or by persons designated by him.

8 (d) **(1) [The] SUBJECT TO PARAGRAPHS (2) THROUGH (9) OF THIS**  
9 **SUBSECTION, THE** inspector general shall report to the Board and head the Office of the  
10 Inspector General, an independent and objective unit of the Authority that conducts and  
11 supervises audits, program evaluations, and investigations relating to Authority activities;  
12 promotes economy, efficiency, and effectiveness in Authority activities; detects and  
13 prevents fraud and abuse in Authority activities; and keeps the board fully and currently  
14 informed about deficiencies in Authority activities as well as the necessity for and progress  
15 of corrective action.

16 **(2) THE INSPECTOR GENERAL IS CHARGED WITH THE FOLLOWING**  
17 **POWERS TO ACCOMPLISH THE DUTIES OF THE OFFICE OF THE INSPECTOR**  
18 **GENERAL:**

19 **(I) SUPERSEDING ANY CLAIM OF PRIVILEGE, THE RIGHT TO**  
20 **OBTAIN FULL AND UNRESTRICTED ACCESS TO ALL RECORDS, INFORMATION, DATA,**  
21 **REPORTS, PLANS, PROJECTIONS, MATTERS, CONTRACTS, MEMORANDA,**  
22 **CORRESPONDENCE, AND ANY OTHER MATERIALS OF THE AUTHORITY OR ANY**  
23 **OTHER ORGANIZATIONS THAT MAY BE INVOLVED WITH THE AUTHORITY;**

24 **(II) THE POWER TO SUBPOENA WITNESSES, ADMINISTER OATHS**  
25 **OR AFFIRMATIONS, TAKE TESTIMONY, AND COMPEL THE PRODUCTION OF SUCH**  
26 **BOOKS, DATA, PAPERS, RECORDS, AND DOCUMENTS DEEMED RELEVANT TO AN**  
27 **INQUIRY OR INVESTIGATION;**

28 **(III) WHEN NECESSARY TO ACCOMPLISH THE CHARGES OF THE**  
29 **OFFICE OF THE INSPECTOR GENERAL, ACCESS TO THE HEAD OF ANY PUBLIC**  
30 **ENTITY; AND**

31 **(IV) THE POWER TO REQUIRE AUTHORITY EMPLOYEES TO**  
32 **REPORT FRAUD, WASTE, CORRUPTION, ILLEGAL ACTS, AND ABUSE.**

33 **(3) THE INSPECTOR GENERAL SHALL PREPARE AND, SUBJECT TO**  
34 **BOARD APPROVAL, ADOPT AN ANNUAL WORK PLAN.**

35 **(4) THE OFFICE OF THE INSPECTOR GENERAL AND ALL SUBOFFICES**  
36 **OR DIVISIONS OF THE OFFICE OF THE INSPECTOR GENERAL SHALL BE:**

1 (I) FUNDED WITH A GRANT OF AT LEAST 0.05% OF THE ANNUAL  
2 OPERATING BUDGET OF THE AUTHORITY; AND

3 (II) OPERATIONALLY AND FUNCTIONALLY INDEPENDENT OF  
4 THE AUTHORITY.

5 (5) THE OFFICE OF THE INSPECTOR GENERAL IS AUTHORIZED TO  
6 ENGAGE IN THE FOLLOWING FUNCTIONS:

7 (I) AUDIT, EVALUATE, INVESTIGATE, AND INSPECT:

8 1. THE ACTIVITIES AND RECORDS OF AN INDIVIDUAL OR  
9 ENTITY WITH A FINANCIAL ARRANGEMENT UNDERTAKEN BY THE AUTHORITY; AND

10 2. ANY FUNCTION, ACTIVITY, PROCESS, OR OPERATION  
11 CONDUCTED BY THE AUTHORITY;

12 (II) MONITOR THE IMPLEMENTATION OF RECOMMENDATIONS  
13 MADE BY THE INSPECTOR GENERAL AND OTHER AUDIT AGENCIES;

14 (III) REVIEW THE RELIABILITY AND VALIDITY OF THE  
15 INFORMATION PROVIDED BY THE AUTHORITY'S PERFORMANCE MEASURES AND  
16 STANDARDS;

17 (IV) RECEIVE AND INVESTIGATE COMPLAINTS, REGARDLESS OF  
18 THE SOURCE OF THE COMPLAINT, CONCERNING ALLEGED ABUSES, FRAUDS, AND  
19 SERVICE DEFICIENCIES, INCLUDING DEFICIENCIES IN THE OPERATION AND  
20 MAINTENANCE OF FACILITIES;

21 (V) RECOMMEND REMEDIAL ACTIONS TO OVERCOME OR  
22 CORRECT OPERATING OR MAINTENANCE DEFICIENCIES OR INEFFICIENCIES;

23 (VI) CONDUCT CRIMINAL, CIVIL, AND ADMINISTRATIVE  
24 INVESTIGATIONS, INCLUDING JOINT INVESTIGATIONS WITH THE APPROPRIATE  
25 OVERSIGHT OR LAW ENFORCEMENT AGENCIES;

26 (VII) PROVIDE INFORMATION AND EVIDENCE TO THE  
27 APPROPRIATE OVERSIGHT OR LAW ENFORCEMENT AGENCIES;

28 (VIII) REFER MATTERS FOR CIVIL, CRIMINAL, AND  
29 ADMINISTRATIVE ACTION TO THE APPROPRIATE ADMINISTRATIVE OR  
30 PROSECUTORIAL AGENCIES;

1 (IX) MAINTAIN INFORMATION REGARDING THE COST OF  
2 INVESTIGATIONS;

3 (X) COOPERATE WITH ADMINISTRATIVE AND PROSECUTORIAL  
4 AGENCIES TO RECOUP FUNDS EXPENDED WHILE INVESTIGATING  
5 NONGOVERNMENTAL ENTITIES INVOLVED IN WILLFUL MISCONDUCT;

6 (XI) ENGAGE IN PREVENTION ACTIVITIES, INCLUDING BUT NOT  
7 LIMITED TO:

8 1. TRAINING AND EDUCATION INITIATIVES; AND

9 2. THE REVIEW OF LEGISLATION, RULES, REGULATIONS,  
10 POLICIES, PROCEDURES, AND TRANSACTIONS;

11 (XII) ATTEND ANY MEETINGS HELD BY THE AUTHORITY;

12 (XIII) ISSUE PUBLIC REPORTS;

13 (XIV) ESTABLISH POLICIES AND PROCEDURES TO GUIDE  
14 FUNCTIONS AND PROCESSES CONDUCTED BY THE OFFICE OF THE INSPECTOR  
15 GENERAL; AND

16 (XV) PERFORM ANY OTHER ACTIONS NECESSARY TO CARRY OUT  
17 THE FUNCTIONS AND POWERS OF THE OFFICE OF THE INSPECTOR GENERAL.

18 (6) ANY INDIVIDUAL MEMBER OF THE AUTHORITY'S BOARD OF  
19 DIRECTORS MAY REQUEST THAT THE INSPECTOR GENERAL UNDERTAKE AN AUDIT  
20 OR INVESTIGATION.

21 (7) (I) THE AUDITS, INVESTIGATIONS, INSPECTIONS, AND  
22 REVIEWS CONDUCTED BY THE OFFICE OF THE INSPECTOR GENERAL SHALL:

23 1. CONFORM TO PROFESSIONAL STANDARDS FOR  
24 OFFICES OF INSPECTORS GENERAL, SUCH AS THOSE PROMULGATED BY THE  
25 ASSOCIATION OF INSPECTORS GENERAL; AND

26 2. BE SUBJECT TO QUALITY ASSURANCE REVIEWS BY A  
27 PROFESSIONAL, NONPARTISAN OBJECTIVE GROUP EVERY THREE TO FIVE YEARS.

28 (II) A REPORT RESULTING FROM A QUALITY ASSURANCE  
29 REVIEW UNDER SUBPARAGRAPH (I)2 OF THIS PARAGRAPH SHALL BE POSTED TO THE

1 AUTHORITY'S WEBSITE.

2 (8) CONSISTENT WITH THE METRORAIL SAFETY COMMISSION  
3 INTERSTATE COMPACT, THE FOLLOWING AUDITS OR INVESTIGATIONS CONDUCTED  
4 BY THE OFFICE OF THE INSPECTOR GENERAL ARE NOT SUBJECT TO BOARD  
5 APPROVAL:

6 (I) SAFETY-RELATED AUDITS OR INVESTIGATIONS REQUIRED  
7 BY THE METRORAIL SAFETY COMMISSION; AND

8 (II) INSPECTOR GENERAL AUDITS OR INVESTIGATIONS OF THE  
9 AUTHORITY BOARD.

10 (9) (I) IN ADDITION TO ANY OTHER REQUIREMENTS OF THIS  
11 PARAGRAPH, THE REPORTS REQUIRED UNDER SUBPARAGRAPH (II) OF THIS  
12 PARAGRAPH SHALL BE SUBMITTED IN ACCORDANCE WITH SUBSECTION (G) OF THIS  
13 SECTION.

14 (II) THE OFFICE OF THE INSPECTOR GENERAL SHALL ISSUE:

15 1. REGULAR REPORTS REGARDING THE FINDINGS OF  
16 ANY INVESTIGATIONS UNDERTAKEN BY THE OFFICE OF THE INSPECTOR GENERAL;

17 2. REPORTS REGARDING THE DISCOVERY OF AN  
18 EGREGIOUS PROBLEM, ABUSE, OR DEFICIENCY RELATING TO THE ADMINISTRATION  
19 OF PROGRAMS OR THE OPERATION OF THE AUTHORITY OR INTERFERENCE WITH  
20 THE OPERATIONS OF THE OFFICE OF THE INSPECTOR GENERAL; AND

21 3. AN ANNUAL REPORT THAT SEPARATELY LISTS AUDIT  
22 AND REVIEW REPORTS AND OTHER INVESTIGATIVE OR ASSISTANCE EFFORTS  
23 COMPLETED OR ACCOMPLISHED BY THE OFFICE OF THE INSPECTOR GENERAL  
24 DURING THE FISCAL YEAR.

25 (III) THE REPORTS REQUIRED UNDER SUBPARAGRAPH (II)2 OF  
26 THIS PARAGRAPH SHALL BE SUBMITTED, TOGETHER WITH A REPORT BY THE  
27 AUTHORITY'S GENERAL MANAGER CONTAINING ANY COMMENTS DEEMED  
28 APPROPRIATE, WITHIN SEVEN CALENDAR DAYS AFTER THE DISCOVERY OF THE  
29 PROBLEM, ABUSE, OR DEFICIENCY.

30 (IV) THE REPORT REQUIRED UNDER SUBPARAGRAPH (II)3 OF  
31 THIS PARAGRAPH SHALL BE COMPLETED AND POSTED TO A PUBLIC WEBSITE WITHIN  
32 60 DAYS AFTER THE END OF EACH FISCAL YEAR.

1           **(10) ALL REPORTS OR OTHER MATERIALS GENERATED BY THE OFFICE**  
2 **OF THE INSPECTOR GENERAL SHALL BE SUBJECT TO THE AUTHORITY'S PUBLIC**  
3 **ACCESS TO RECORDS AND PRIVACY POLICIES.**

4           (e) An oath of office in the form set out in § 5(b) of this article shall be taken,  
5 subscribed and filed with the board by all appointed officers.

6           (f) Each director, officer and employee specified by the board shall give such bond  
7 in such form and amount as the board may require, the premium for which shall be paid  
8 by the Authority.

9           **(G) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION AND IN**  
10 **ADDITION TO ANY OTHER REQUIREMENTS SPECIFIED, A REPORTING REQUIREMENT**  
11 **FOR THE INSPECTOR GENERAL, THE OFFICE OF THE INSPECTOR GENERAL, OR THE**  
12 **BOARD UNDER THIS SECTION SHALL BE SATISFIED IF THE REPORT, FINDING, OR**  
13 **OTHER DOCUMENT IS FORWARDED OR SUBMITTED, IN WRITING, TO THE FOLLOWING**  
14 **INDIVIDUALS AND LEGISLATIVE BODIES:**

15                   **(I) FOR THE FEDERAL GOVERNMENT, THE SECRETARY OF THE**  
16 **UNITED STATES DEPARTMENT OF TRANSPORTATION;**

17                   **(II) FOR MARYLAND, THE GOVERNOR AND THE GENERAL**  
18 **ASSEMBLY;**

19                   **(III) FOR VIRGINIA, THE GOVERNOR AND THE GENERAL**  
20 **ASSEMBLY; AND**

21                   **(IV) FOR THE DISTRICT OF COLUMBIA, THE MAYOR AND THE**  
22 **CITY COUNCIL.**

23           **(2) IF APPLICABLE, THE INSPECTOR GENERAL SHALL FORWARD ALL**  
24 **NECESSARY INFORMATION TO THE APPROPRIATE ADMINISTRATIVE OR CRIMINAL**  
25 **JUSTICE AGENCY.**

26           SECTION 2. AND BE IT FURTHER ENACTED, That this Act may not take effect  
27 until a similar Act is enacted by the Commonwealth of Virginia and by the District of  
28 Columbia; that the Commonwealth of Virginia and the District of Columbia each is  
29 requested to concur in this Act of the General Assembly of Maryland by the enactment of a  
30 similar Act; that the Department of Legislative Services shall notify the appropriate  
31 officials of the Commonwealth of Virginia, the District of Columbia, and the United States  
32 Congress of the enactment of this Act; and that on the concurrence in this Act by the  
33 Commonwealth of Virginia and by the District of Columbia and approval by the United  
34 States Congress, the Governor of the State of Maryland shall issue a proclamation declaring  
35 this Act valid and effective and shall forward a copy of the proclamation to the Executive  
36 Director of the Department of Legislative Services.

1           SECTION 3. AND BE IT FURTHER ENACTED, That, subject to Section 2 of this  
2 Act, this Act shall take effect June 1, 2018.