



# Senate

General Assembly

**File No. 350**

February Session, 2026

Substitute Senate Bill No. 324

*Senate, April 2, 2026*

The Committee on Government Oversight reported through SEN. GADKAR-WILCOX of the 22nd Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

***AN ACT CONCERNING GOVERNMENT OVERSIGHT OVER FRAUD AND WASTE AND ESTABLISHING THE OFFICE OF GOVERNMENT OVERSIGHT AND EFFICIENCY.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (*Effective from passage*) (a) There is established a working  
2 group to study and recommend legislation regarding preventing the  
3 waste of taxpayer dollars by establishing partnerships between state  
4 agencies and private providers to improve the delivery of services,  
5 reduce the cost of such services and foster investigations to uncover  
6 fraud and waste, including, but not limited to, claims of fraud and waste  
7 concerning employee contracts, remuneration of employees and  
8 pension benefits.

9 (b) The working group shall consist of the following members:

10 (1) Two appointed by the speaker of the House of Representatives,  
11 one of whom has expertise in fraud detection and one of whom has  
12 expertise in state agency contracts;

13 (2) Two appointed by the president pro tempore of the Senate, one of  
14 whom is a representative of a state employee collective bargaining unit;

15 (3) One appointed by the majority leader of the House of  
16 Representatives;

17 (4) One appointed by the majority leader of the Senate;

18 (5) One appointed by the minority leader of the House of  
19 Representatives;

20 (6) One appointed by the minority leader of the Senate;

21 (7) The Commissioner of Administrative Services, or the  
22 commissioner's designee;

23 (8) The Secretary of the Office of Policy and Management, or the  
24 secretary's designee; and

25 (9) The Attorney General, or the Attorney General's designee.

26 (c) Any member of the working group appointed under subdivision  
27 (1), (2), (3), (4), (5) or (6) of subsection (b) of this section may be a member  
28 of the General Assembly.

29 (d) All initial appointments to the working group shall be made not  
30 later than thirty days after the effective date of this section. Any vacancy  
31 shall be filled by the appointing authority.

32 (e) The speaker of the House of Representatives and the president pro  
33 tempore of the Senate shall select the chairpersons of the working group  
34 from among the members of the working group. Such chairpersons shall  
35 schedule the first meeting of the working group, which shall be held not  
36 later than sixty days after the effective date of this section.

37 (f) The administrative staff of the joint standing committee of the  
38 General Assembly having cognizance of matters relating to government  
39 oversight shall serve as administrative staff of the working group.

40 (g) Not later than December 31, 2026, the working group shall submit  
41 a report on its findings and recommendations to the joint standing  
42 committee of the General Assembly having cognizance of matters  
43 relating to government oversight, in accordance with the provisions of  
44 section 11-4a of the general statutes. The working group shall terminate  
45 on the date that it submits such report or December 31, 2026, whichever  
46 is later.

47 Sec. 2. (NEW) (*Effective October 1, 2026*) (a) For purposes of this section  
48 and sections 3 to 5, inclusive, of this act, "governmental agency" means  
49 a state agency or a quasi-public agency, "state agency" and "quasi-public  
50 agency" have the same meanings as provided in section 1-79 of the  
51 general statutes, "legislative leaders" means the president pro tempore  
52 of the Senate, the speaker of the House of Representatives and the  
53 minority leaders of the Senate and the House of Representatives, and  
54 "executive director" means the executive director of the Office of  
55 Government Oversight and Efficiency.

56 (b) There is established an Office of Government Oversight and  
57 Efficiency that shall act to detect and prevent fraud, waste and abuse in  
58 the management of state personnel, in the use and disposition of state  
59 property and in the collection, disbursement and expenditure of state  
60 and federal funds administered by governmental agencies. The Office  
61 of Government Oversight and Efficiency shall also evaluate the  
62 economy, efficiency and effectiveness of governmental agencies in the  
63 performance of their delegated duties and functions and of private  
64 entities that contract with such agencies to provide government  
65 services.

66 (c) The office shall be under the direction of an executive director,  
67 who shall be appointed by the legislative leaders, with the advice and  
68 consent of either house of the General Assembly. A committee  
69 consisting of the legislative leaders and the chairpersons and ranking  
70 members of the joint standing committee of the General Assembly  
71 having cognizance of matters relating to government administration  
72 shall submit to the legislative leaders the names of three candidates for

73 appointment to the position of executive director. Not later than ninety  
74 days after the receipt of the names from the committee, the legislative  
75 leaders shall appoint one of such candidates to be executive director and  
76 shall submit such nomination to either house of the General Assembly  
77 to undergo the confirmation process set forth in section 4-7 of the  
78 general statutes. If the legislative leaders fail to make such appointment  
79 within such ninety-day period, the committee by majority vote shall  
80 make such appointment and submit such nomination to either house of  
81 the General Assembly for confirmation. The executive director shall be  
82 appointed on the basis of integrity and competence demonstrated in  
83 appropriate fields. The executive director shall hold office for a term of  
84 five years and until the appointment of a successor, in the same manner  
85 as the original appointment, unless sooner removed for just cause by the  
86 legislative leaders. Such cause may include, but not be limited to,  
87 material neglect of duty, gross misconduct or conviction of a felony.

88 (d) The Office of Government Oversight and Efficiency shall be an  
89 independent office and shall be within the Joint Committee on  
90 Legislative Management for administrative purposes only.

91 Sec. 3. (NEW) (*Effective October 1, 2026*) (a) The executive director shall  
92 establish, within available appropriations, a system for the coordination  
93 of efforts between the Office of Government Oversight and Efficiency  
94 and officials performing similar duties and internal auditing functions  
95 within the various governmental agencies. Such system may include  
96 continuing training programs for professional development, the  
97 adoption of standard guidelines and procedures and the organization  
98 of a communications network within the system. The internal auditors  
99 and support staff within the agencies shall remain assigned to such  
100 agencies but shall have their annual internal audit program approved  
101 by the executive director.

102 (b) The executive director may adopt regulations, in accordance with  
103 chapter 54 of the general statutes, to implement the provisions of  
104 sections 2 to 5, inclusive, of this act. The executive director may employ  
105 necessary staff, within available appropriations.

106 Sec. 4. (NEW) (*Effective October 1, 2026*) (a) The executive director  
107 shall: (1) Conduct preemptive inspections, inquiries and investigations  
108 relating to programs and operations involving (A) the collection,  
109 administration or expenditure of state funds, in particular related to  
110 contracts, pensions and other state benefits and legal settlements, (B) the  
111 use or disposition of state-owned or leased property, or (C) the  
112 management practices and regulatory or statutory compliance of state  
113 agencies; (2) have access to all records, data and material maintained by  
114 or available to any governmental agency; and (3) have access to all  
115 records, data and material maintained by or available to any person or  
116 organization involved in the collection, expenditure or administration  
117 of state funds, control of state-owned or leased property or management  
118 of state employees.

119 (b) The executive director may apply to the Superior Court for a  
120 subpoena to compel the attendance of such witnesses or the production  
121 of such books, papers, records or documents as may be necessary in  
122 order to obtain information that is not otherwise available and that is  
123 needed in the performance of the executive director's duties. The court  
124 shall, before issuing such subpoena, provide adequate opportunity for  
125 the executive director and the party against whom the subpoena is  
126 requested to be heard. No such subpoena shall be issued unless the  
127 court certifies that the attendance of such witness or the production of  
128 such books, papers, records or documents is reasonably necessary for  
129 the performance of the executive director's duties and that the executive  
130 director has made reasonable efforts to secure such attendance or such  
131 books, papers, records or documents without recourse to compulsory  
132 process.

133 Sec. 5. (NEW) (*Effective October 1, 2026*) (a) The executive director may  
134 make recommendations to the Governor and the General Assembly  
135 concerning the prevention and detection of fraud, waste and abuse,  
136 including recommendations concerning legislation and regulations or  
137 the coordination of preventive measures by governmental and  
138 nongovernmental entities. The executive director may assist or request  
139 assistance from any governmental agency, state employee or person or

140 organization collecting or expending state funds or controlling state-  
141 owned or leased property.

142 (b) The executive director shall report findings of fact along with any  
143 recommendations: (1) To the Chief State's Attorney or the Office of State  
144 Ethics, when the executive director has a reasonable belief that a state  
145 law has been or is being violated; (2) to the Attorney General, when the  
146 executive director has a reasonable belief that civil recovery proceedings  
147 are appropriate; and (3) to the United States Attorney, when the  
148 executive director has a reasonable belief that a federal law has been or  
149 is being violated or when civil recovery is appropriate.

150 (c) On or before October 31, 2027, and annually thereafter, the  
151 executive director shall submit, in accordance with the provisions of  
152 section 11-4a of the general statutes, a report concerning the activities of  
153 the Office of Government Oversight and Efficiency to the Governor and  
154 the joint standing committees of the General Assembly having  
155 cognizance of matters relating to appropriations and the budgets of state  
156 agencies and government administration. The executive director may  
157 make such other reports as the executive director deems appropriate.

158 (d) All records of the Office of Government Oversight and Efficiency  
159 relating to an actual or potential inspection, or inquiry or investigation,  
160 shall be confidential and shall not be public records under the Freedom  
161 of Information Act, as defined in section 1-200 of the general statutes,  
162 until such time as (1) all such inspections, inquiries or investigations  
163 have been concluded and all criminal and civil actions arising from the  
164 records have been finally adjudicated or otherwise settled, (2) to such  
165 extent as may be deemed appropriate by the executive director in the  
166 performance of the executive director's duties, or (3) two years after  
167 receipt or creation of such records by the office, whichever is earlier.  
168 Records that are otherwise public documents shall not be deemed  
169 confidential solely because they have been transferred to the custody of  
170 the executive director. Where there are statutory requirements of  
171 confidentiality with regard to such records, books, data, files and other  
172 material printed or otherwise maintained by a governmental agency,

173 such requirements of confidentiality and penalties for the violation of  
174 such requirements shall apply to the executive director and to the Office  
175 of Government Oversight and Efficiency's employees in the same  
176 manner and to the same extent as such requirements of confidentiality  
177 and penalties apply to such governmental agency and such agency's  
178 employees.

179 Sec. 6. Section 1-101pp of the general statutes is repealed and the  
180 following is substituted in lieu thereof (*Effective October 1, 2026*):

181 Any commissioner, deputy commissioner, state agency or quasi-  
182 public agency head or deputy, or person in charge of state agency  
183 procurement, contracting or human resources, who has reasonable  
184 cause to believe that a person has violated the provisions of the Code of  
185 Ethics for Public Officials set forth in part I of this chapter or any law or  
186 regulation concerning ethics in state contracting shall report such belief  
187 to the Office of State Ethics, which may further report such information  
188 to the Auditors of Public Accounts, the Chief State's Attorney, or the  
189 Attorney General or the executive director of the Office of Government  
190 Oversight and Efficiency.

191 Sec. 7. Subsection (c) of section 1-110a of the general statutes is  
192 repealed and the following is substituted in lieu thereof (*Effective October*  
193 *1, 2026*):

194 (c) If the court determines, or the Attorney General certifies, that a  
195 public official or state or municipal employee, who was convicted of or  
196 pled guilty or nolo contendere to a crime related to state or municipal  
197 office, voluntarily provided information to the Attorney General, the  
198 Auditors of Public Accounts, the executive director of the Office of  
199 Government Oversight and Efficiency or any state, federal or local law  
200 enforcement official concerning the commission of such crime related to  
201 state or municipal office by another public official or state or municipal  
202 employee who had a greater degree of culpability for such crime than  
203 the public official or state or municipal employee providing such  
204 information, the court shall not reduce or revoke the pension of such  
205 public official or state or municipal employee, provided such public

206 official or state or municipal employee voluntarily provided such  
207 information prior to learning of a criminal investigation into such crime  
208 related to state or municipal office.

209 Sec. 8. Subsection (f) of section 2-90 of the 2026 supplement to the  
210 general statutes is repealed and the following is substituted in lieu  
211 thereof (*Effective October 1, 2026*):

212 (f) (1) If the Auditors of Public Accounts discover, or if it should come  
213 to their knowledge, that any unauthorized, illegal, irregular or unsafe  
214 handling or expenditure of state funds or quasi-public agency funds or  
215 any breakdown in the safekeeping of any resources of the state or a  
216 quasi-public agency has occurred or is contemplated, they shall  
217 forthwith report the facts to the Governor, the State Comptroller, the  
218 clerk of each house of the General Assembly, the joint standing  
219 committee of the General Assembly having cognizance of matters  
220 relating to government oversight, [and] the Attorney General and the  
221 executive director of the Office of Government Oversight and Efficiency,  
222 except that if a matter reported to the Auditors of Public Accounts  
223 pursuant to section 4-33a, as amended by this act, is still under  
224 investigation by a state or quasi-public agency, the Auditors of Public  
225 Accounts may give the agency a reasonable amount of time to conduct  
226 such investigation prior to the auditors reporting the matter to said  
227 officials and committee.

228 (2) If the Auditors of Public Accounts decide to delay reporting such  
229 matter in accordance with subdivision (1) of this subsection, the auditors  
230 shall immediately notify the Attorney General of such decision.

231 (3) Any Auditor of Public Accounts neglecting to make the report  
232 required under subdivision (1) of this subsection, or any agent of the  
233 auditors neglecting to report to the Auditors of Public Accounts any  
234 such matter discovered by such agent or coming to such agent's  
235 knowledge, shall be fined not more than one hundred dollars or  
236 imprisoned not more than six months, or both.

237 (4) Any state agency or quasi-public agency that is the subject of a

238 report of the Auditors of Public Accounts that contains violations of  
239 state statute or regulation, other than only minor or technical  
240 recommendations, not later than six months after the issuance of the  
241 auditors' report, shall report on the status of any corrective action  
242 undertaken by such state agency or quasi-public agency to address such  
243 violations, to the auditors, the Governor and the General Assembly, in  
244 accordance with the provisions of section 11-4a. Upon the receipt of the  
245 agency's report, the joint standing committee of the General Assembly  
246 having cognizance of matters relating to government oversight may  
247 request the auditors to verify any matter in the agency's corrective  
248 action report and the auditors shall have not more than sixty days to  
249 respond to such request.

250 Sec. 9. Section 4-33a of the general statutes is repealed and the  
251 following is substituted in lieu thereof (*Effective October 1, 2026*):

252 All boards of trustees of state institutions, state department heads,  
253 boards, commissions, other state agencies responsible for state property  
254 and funds and quasi-public agencies, as defined in section 1-120, shall  
255 promptly notify the Auditors of Public Accounts, [and] the Comptroller  
256 and the executive director of the Office of Government Oversight and  
257 Efficiency of any (1) unauthorized, illegal, irregular or unsafe handling  
258 or expenditure of state or quasi-public agency funds, (2) breakdowns in  
259 the safekeeping of any other resources of the state or quasi-public  
260 agencies, (3) breach of security, as defined in section 36a-701b, or (4)  
261 contemplated action to commit one of the acts listed in subdivisions (1)  
262 to (3), inclusive, of this section within their knowledge. In the case of  
263 such notification to the Auditors of Public Accounts, the auditors may  
264 permit aggregate reporting in a manner and at a schedule determined  
265 by the auditors.

266 Sec. 10. Section 4-37j of the general statutes is repealed and the  
267 following is substituted in lieu thereof (*Effective October 1, 2026*):

268 Each foundation shall develop, in conjunction with the [Auditors of  
269 Public Accounts] executive director of the Office of Government  
270 Oversight and Efficiency, and implement a written policy (1) for the

271 investigation of any matter involving corruption, unethical practices,  
272 violation of state laws or regulations, mismanagement, gross waste of  
273 funds, abuse of authority or danger to the public safety occurring in  
274 such foundation, (2) prohibiting any officer or employee of the  
275 foundation from taking or threatening to take any personnel action  
276 against any foundation employee who transmits information  
277 concerning any such matter, (3) providing that any foundation  
278 employee who is found to have knowingly and maliciously made false  
279 charges concerning any such matter under subdivision (1) of this section  
280 shall be subject to disciplinary action by the employee's appointing  
281 authority, up to and including dismissal, and (4) requiring the  
282 foundation to provide a copy of such policy to its employees and to  
283 periodically notify the employees of the existence of the policy.

284 Sec. 11. Section 4-61dd of the general statutes is repealed and the  
285 following is substituted in lieu thereof (*Effective October 1, 2026*):

286 (a) Any person having knowledge of any matter involving (1)  
287 corruption, unethical practices, violation of state laws or regulations,  
288 mismanagement, gross waste of funds, abuse of authority or danger to  
289 the public safety occurring in any state department or agency, any  
290 quasi-public agency, as defined in section 1-120, or any Probate Court,  
291 (2) corruption, violation of state or federal laws or regulations, gross  
292 waste of funds, abuse of authority or danger to the public safety  
293 occurring in any large state contract, or (3) corruption by an entity  
294 receiving financial assistance pursuant to title 32 that has failed to meet  
295 its contractual obligations or has failed to satisfy any condition  
296 regarding such financial assistance, may transmit all facts and  
297 information in such person's possession concerning such matter to the  
298 Auditors of Public Accounts and the executive director of the Office of  
299 Government Oversight and Efficiency. The [Auditors of Public  
300 Accounts] executive director shall review such matter and report [their]  
301 any findings and any recommendations to the Attorney General. Upon  
302 receiving such a report, the Attorney General shall make such  
303 investigation as the Attorney General deems proper regarding such  
304 report and any other information that may be reasonably derived from

305 such report. Prior to conducting an investigation of any information that  
306 may be reasonably derived from such report, the Attorney General shall  
307 consult with the [Auditors of Public Accounts] executive director  
308 concerning the relationship of such additional information to the report  
309 that has been issued pursuant to this subsection. Any such subsequent  
310 investigation deemed appropriate by the Attorney General shall only be  
311 conducted with the concurrence and assistance of the [Auditors of  
312 Public Accounts] executive director. At the request of the Attorney  
313 General or on [their] the executive director's own initiative, the  
314 [auditors] executive director shall assist in the investigation.

315 (b) (1) The [Auditors of Public Accounts] executive director may  
316 reject any complaint received pursuant to subsection (a) of this section  
317 if the [Auditors of Public Accounts determine] executive director  
318 determines one or more of the following:

319 (A) There are other available remedies that the complainant can  
320 reasonably be expected to pursue;

321 (B) The complaint is better suited for investigation or enforcement by  
322 another state agency;

323 (C) The complaint is trivial, frivolous, vexatious or not made in good  
324 faith;

325 (D) Other complaints have greater priority in terms of serving the  
326 public good;

327 (E) The complaint is not timely or is too long delayed to justify further  
328 investigation; or

329 (F) The complaint could be handled more appropriately as part of an  
330 ongoing or scheduled regular audit.

331 (2) If the [Auditors of Public Accounts reject] executive director  
332 rejects a complaint pursuant to subdivision (1) of this subsection, the  
333 [Auditors of Public Accounts] executive director shall provide a report  
334 to the Attorney General setting out the basis for the rejection.

335 (3) If at any time the [Auditors of Public Accounts determine]  
336 executive director determines that a complaint is more appropriately  
337 investigated by another state agency, the [Auditors of Public Accounts]  
338 executive director shall refer the complaint to such agency. The  
339 investigating agency shall provide a status report regarding the referred  
340 complaint to the [Auditors of Public Accounts] executive director upon  
341 request.

342 (c) Notwithstanding the provisions of section 12-15, the  
343 Commissioner of Revenue Services may, upon written request by the  
344 [Auditors of Public Accounts] executive director, disclose return or  
345 return information, as defined in section 12-15, to the Auditors of Public  
346 Accounts or executive director for purposes of preparing a report under  
347 subsection (a) or (b) of this section. Such return or return information  
348 shall not be published in any report prepared in accordance with  
349 subsection (a) or (b) of this section, and shall not otherwise be  
350 redisclosed, except that such information may be redisclosed to the  
351 Attorney General for purposes of an investigation authorized by  
352 subsection (a) of this section. Any person who violates the provisions of  
353 this subsection shall be subject to the provisions of subsection (g) of  
354 section 12-15.

355 (d) The Attorney General may summon witnesses, require the  
356 production of any necessary books, papers or other documents and  
357 administer oaths to witnesses, where necessary, for the purpose of an  
358 investigation pursuant to this section or for the purpose of investigating  
359 a suspected violation of subsection (a) of section 4-275 until such time as  
360 the Attorney General files a civil action pursuant to section 4-276.  
361 Service of a subpoena ad testificandum, subpoena duces tecum and a  
362 notice of deposition, may be made by: (1) Personal service or service at  
363 the usual place of abode; or (2) registered or certified mail, return receipt  
364 requested, a duly executed copy thereof addressed to the person to be  
365 served at such person's principal place of business in this state, or, if  
366 such person has no principal place of business in this state, at such  
367 person's principal office or such person's residence. Upon the  
368 conclusion of the investigation, the Attorney General shall where

369 necessary, report any findings to the Governor, or in matters involving  
370 criminal activity, to the Chief State's Attorney. In addition to the exempt  
371 records provision of section 1-210, the Auditors of Public Accounts,  
372 executive director and [the] Attorney General shall not, after receipt of  
373 any information from a person under the provisions of this section or  
374 sections 4-276 to 4-280, inclusive, disclose the identity of such person  
375 without such person's consent unless the Auditors of Public Accounts,  
376 executive director or the Attorney General determines that such  
377 disclosure is unavoidable, and may withhold records of such  
378 investigation, during the pendency of the investigation. All  
379 documentary material or other information furnished to the Attorney  
380 General, the Attorney General's deputy or any assistant attorney general  
381 designated by the Attorney General, pursuant to a demand issued  
382 under this subsection for the purpose of investigating a suspected  
383 violation of subsection (a) of section 4-275, shall be returned to the  
384 person furnishing such documentary material or other information, or,  
385 if such person furnished such documentary material or other  
386 information in an electronic format, erased, upon the termination of the  
387 Attorney General's investigation or final determination of any action or  
388 proceeding commenced thereunder.

389 (e) (1) No state officer or employee, as defined in section 4-141, no  
390 quasi-public agency officer or employee, no officer or employee of a  
391 large state contractor and no appointing authority shall take or threaten  
392 to take any personnel action against any state or quasi-public agency  
393 employee or any employee of a large state contractor in retaliation for  
394 (A) such employee's or contractor's disclosure of information to (i) an  
395 employee of the Auditors of Public Accounts, the Office of Government  
396 Oversight and Efficiency or the Attorney General under the provisions  
397 of subsection (a) of this section; (ii) an employee of the state agency or  
398 quasi-public agency where such state officer or employee is employed;  
399 (iii) an employee of a state agency pursuant to a mandated reporter  
400 statute or pursuant to subsection (b) of section 17a-28; (iv) an employee  
401 of the Probate Court where such employee is employed; or (v) in the  
402 case of a large state contractor, an employee of the contracting state  
403 agency concerning information involving the large state contract; or (B)

404 such employee's testimony or assistance in any proceeding under this  
405 section.

406 (2) (A) Not later than ninety days after learning of the specific  
407 incident giving rise to a claim that a personnel action has been  
408 threatened or has occurred in violation of subdivision (1) of this  
409 subsection, a state or quasi-public agency employee, an employee of a  
410 large state contractor or the employee's attorney may file a complaint  
411 against the state agency, quasi-public agency, Probate Court, large state  
412 contractor or appointing authority concerning such personnel action  
413 with the Chief Human Rights Referee designated under section 46a-57.  
414 Such complaint may be amended if an additional incident giving rise to  
415 a claim under this subdivision occurs subsequent to the filing of the  
416 original complaint. The Chief Human Rights Referee shall assign the  
417 complaint to a human rights referee appointed under section 46a-57,  
418 who shall conduct a hearing and issue a decision concerning whether  
419 the officer or employee taking or threatening to take the personnel  
420 action violated any provision of this section. The human rights referee  
421 may order a state agency, quasi-public agency or Probate Court to  
422 produce (i) an employee of such agency, quasi-public agency or Probate  
423 Court to testify as a witness in any proceeding under this subdivision,  
424 or (ii) books, papers or other documents relevant to the complaint,  
425 without issuing a subpoena. If such agency, quasi-public agency or  
426 Probate Court fails to produce such witness, books, papers or  
427 documents, not later than thirty days after such order, the human rights  
428 referee may consider such failure as supporting evidence for the  
429 complainant. If, after the hearing, the human rights referee finds a  
430 violation, the referee may award the aggrieved employee reinstatement  
431 to the employee's former position, back pay and reestablishment of any  
432 employee benefits for which the employee would otherwise have been  
433 eligible if such violation had not occurred, reasonable attorneys' fees,  
434 and any other damages. For the purposes of this subsection, such  
435 human rights referee shall act as an independent hearing officer. The  
436 decision of a human rights referee under this subsection may be  
437 appealed by any person who was a party at such hearing, in accordance  
438 with the provisions of section 4-183.

439 (B) The Chief Human Rights Referee shall adopt regulations, in  
440 accordance with the provisions of chapter 54, establishing the procedure  
441 for filing complaints and noticing and conducting hearings under  
442 subparagraph (A) of this subdivision.

443 (3) As an alternative to the provisions of subdivision (2) of this  
444 subsection: (A) A state or quasi-public agency employee who alleges  
445 that a personnel action has been threatened or taken may file an appeal  
446 not later than ninety days after learning of the specific incident giving  
447 rise to such claim with the Employees' Review Board under section 5-  
448 202, or, in the case of a state or quasi-public agency employee covered  
449 by a collective bargaining contract, in accordance with the procedure  
450 provided by such contract; or (B) an employee of a large state contractor  
451 alleging that such action has been threatened or taken may, after  
452 exhausting all available administrative remedies, bring a civil action in  
453 accordance with the provisions of subsection (c) of section 31-51m.

454 (4) In any proceeding under subdivision (2) or (3) of this subsection  
455 concerning a personnel action taken or threatened against any state or  
456 quasi-public agency employee or any employee of a large state  
457 contractor, which personnel action occurs not later than two years after  
458 the employee first transmits facts and information concerning a matter  
459 under subsection (a) of this section or discloses information under  
460 subdivision (1) of this subsection to the Auditors of Public Accounts, the  
461 executive director, the Attorney General or an employee of a state  
462 agency, quasi-public agency or Probate Court, as applicable, there shall  
463 be a rebuttable presumption that the personnel action is in retaliation  
464 for the action taken by the employee under subsection (a) of this section  
465 or subdivision (1) of this subsection.

466 (5) If a state officer or employee, as defined in section 4-141, a quasi-  
467 public agency officer or employee, an officer or employee of a large state  
468 contractor or an appointing authority takes or threatens to take any  
469 action to impede, fail to renew or cancel a contract between a state  
470 agency and a large state contractor, or between a large state contractor  
471 and its subcontractor, in retaliation for the disclosure of information

472 pursuant to subsection (a) of this section or subdivision (1) of this  
473 subsection to any agency listed in subdivision (1) of this subsection, such  
474 affected agency, contractor or subcontractor may, not later than ninety  
475 days after learning of such action, threat or failure to renew, bring a civil  
476 action in the superior court for the judicial district of Hartford to recover  
477 damages, attorney's fees and costs.

478 (f) Any employee of a state agency, quasi-public agency, Probate  
479 Court or large state contractor, who is found by the [Auditors of Public  
480 Accounts] executive director, the Attorney General, a human rights  
481 referee or the Employees' Review Board to have knowingly and  
482 maliciously made false charges under subsection (a) of this section, shall  
483 be subject to disciplinary action by such employee's appointing  
484 authority up to and including dismissal. In the case of a state or quasi-  
485 public agency employee, such action shall be subject to appeal to the  
486 Employees' Review Board in accordance with section 5-202, or in the  
487 case of state or quasi-public agency employees included in collective  
488 bargaining contracts, the procedure provided by such contracts.

489 (g) On or before September first, annually, the [Auditors of Public  
490 Accounts] executive director shall submit, in accordance with the  
491 provisions of section 11-4a, to the clerk of each house of the General  
492 Assembly a report indicating the number of matters for which facts and  
493 information were transmitted to the [auditors] Office of Government  
494 Oversight and Efficiency pursuant to this section during the preceding  
495 state fiscal year and the disposition of each such matter.

496 (h) Each contract between a state or quasi-public agency and a large  
497 state contractor shall provide that, if an officer, employee or appointing  
498 authority of a large state contractor takes or threatens to take any  
499 personnel action against any employee of the contractor in retaliation  
500 for such employee's disclosure of information to any employee of the  
501 contracting state or quasi-public agency or the Auditors of Public  
502 Accounts, executive director or [the] Attorney General under the  
503 provisions of subsection (a) or subdivision (1) of subsection (e) of this  
504 section, the contractor shall be liable for a civil penalty of not more than

505 five thousand dollars for each offense, up to a maximum of twenty per  
506 cent of the value of the contract. Each violation shall be a separate and  
507 distinct offense and in the case of a continuing violation each calendar  
508 day's continuance of the violation shall be deemed to be a separate and  
509 distinct offense. The executive head of the state or quasi-public agency  
510 may request the Attorney General to bring a civil action in the superior  
511 court for the judicial district of Hartford to seek imposition and recovery  
512 of such civil penalty.

513 (i) Each state agency or quasi-public agency shall post a notice of the  
514 provisions of this section relating to state employees and quasi-public  
515 agency employees in a conspicuous place that is readily available for  
516 viewing by employees of such agency or quasi-public agency. Each  
517 Probate Court shall post a notice of the provisions of this section relating  
518 to Probate Court employees in a conspicuous place that is readily  
519 available for viewing by employees of such court. Each large state  
520 contractor shall post a notice of the provisions of this section relating to  
521 large state contractors in a conspicuous place which is readily available  
522 for viewing by the employees of the contractor.

523 (j) No person who, in good faith, discloses information in accordance  
524 with the provisions of this section shall be liable for any civil damages  
525 resulting from such good faith disclosure.

526 (k) As used in this section:

527 (1) "Large state contract" means a contract having a value of five  
528 million dollars or more (A) between an entity and a state or quasi-public  
529 agency, or (B) for the receipt of financial assistance by an entity from the  
530 state pursuant to title 32; and

531 (2) "Large state contractor" means an entity that has entered into a  
532 large state contract with a state or quasi-public agency.

533 (l) (1) No officer or employee of a state shellfish grounds lessee shall  
534 take or threaten to take any personnel action against any employee of a  
535 state shellfish grounds lessee in retaliation for (A) such employee's

536 disclosure of information to an employee of the leasing agency  
537 concerning information involving the state shellfish grounds lease, or  
538 (B) such employee's testimony or assistance in any proceeding under  
539 this section.

540 (2) (A) Not later than ninety days after learning of the specific  
541 incident giving rise to a claim that a personnel action has been  
542 threatened or has occurred in violation of subdivision (1) of this  
543 subsection, an employee of a state shellfish grounds lessee or the  
544 employee's attorney may file a complaint against the state shellfish  
545 grounds lessee concerning such personnel action with the Chief Human  
546 Rights Referee designated under section 46a-57. Such complaint may be  
547 amended if an additional incident giving rise to a claim under this  
548 subdivision occurs subsequent to the filing of the original complaint.  
549 The Chief Human Rights Referee shall assign the complaint to a human  
550 rights referee appointed under section 46a-57, who shall conduct a  
551 hearing and issue a decision concerning whether the officer or employee  
552 taking or threatening to take the personnel action violated any provision  
553 of this subsection. The human rights referee may order a state shellfish  
554 grounds lessee to produce (i) an employee of such lessee to testify as a  
555 witness in any proceeding under this subdivision, or (ii) books, papers  
556 or other documents relevant to the complaint, without issuing a  
557 subpoena. If such state shellfish grounds lessee fails to produce such  
558 witness, books, papers or documents, not later than thirty days after  
559 such order, the human rights referee may consider such failure as  
560 supporting evidence for the complainant. If, after the hearing, the  
561 human rights referee finds a violation, the referee may award the  
562 aggrieved employee reinstatement to the employee's former position,  
563 back pay and reestablishment of any employee benefits for which the  
564 employee would otherwise have been eligible if such violation had not  
565 occurred, reasonable attorneys' fees and any other damages. For the  
566 purposes of this subsection, such human rights referee shall act as an  
567 independent hearing officer. The decision of a human rights referee  
568 under this subsection may be appealed by any person who was a party  
569 at such hearing, in accordance with the provisions of section 4-183.

570 (B) The Chief Human Rights Referee shall adopt regulations, in  
571 accordance with the provisions of chapter 54, establishing the procedure  
572 for filing complaints and noticing and conducting hearings under  
573 subparagraph (A) of this subdivision.

574 (3) As an alternative to the provisions of subdivision (2) of this  
575 subsection, an employee of a state shellfish grounds lessee who alleges  
576 that a personnel action has been threatened or taken may, after  
577 exhausting all available administrative remedies, bring a civil action in  
578 accordance with the provisions of subsection (c) of section 31-51m.

579 (4) In any proceeding under subdivision (2) or (3) of this subsection  
580 concerning a personnel action taken or threatened against any employee  
581 of a state shellfish grounds lessee, which personnel action occurs not  
582 later than two years after the employee first transmits facts and  
583 information to an employee of the leasing agency concerning the state  
584 shellfish grounds lease, there shall be a rebuttable presumption that the  
585 personnel action is in retaliation for the action taken by the employee  
586 under subdivision (1) of this subsection.

587 Sec. 12. Subsection (f) of section 4-278 of the general statutes is  
588 repealed and the following is substituted in lieu thereof (*Effective October*  
589 *1, 2026*):

590 (f) Notwithstanding the provisions of subsection (e) of this section,  
591 where the action is one that the court finds to be based primarily on  
592 disclosures of specific information that was not provided by the person  
593 bringing the action relating to allegations or transactions (1) in a  
594 criminal, civil or administrative hearing, (2) in a report, hearing, audit  
595 or investigation conducted by the General Assembly, a committee of the  
596 General Assembly, the Auditors of Public Accounts, the Office of  
597 Government Oversight and Efficiency, a state agency or a quasi-public  
598 agency, or (3) from the news media, the court may award from such  
599 proceeds to the person bringing the action such sums as it considers  
600 appropriate, but in no case more than ten per cent of the proceeds,  
601 taking into account the significance of the information and the role of  
602 the person bringing the action in advancing the case to litigation. Any

603 such person shall also receive an amount for reasonable expenses that  
604 the court finds to have been necessarily incurred, plus reasonable  
605 attorneys' fees and costs. All such expenses, fees and costs shall be  
606 awarded against the defendant.

607 Sec. 13. Subsection (b) of section 4-282 of the general statutes is  
608 repealed and the following is substituted in lieu thereof (*Effective October*  
609 *1, 2026*):

610 (b) Unless opposed by the state, the court shall dismiss an action or  
611 claim brought under section 4-277 if allegations or transactions that are  
612 substantially the same as those alleged in the action or claim were  
613 publicly disclosed (1) in a state criminal, civil or administrative hearing  
614 in which the state or its agent is a party, (2) in a report, hearing, audit or  
615 investigation conducted by the General Assembly, a committee of the  
616 General Assembly, the Auditors of Public Accounts, the Office of  
617 Government Oversight and Efficiency, a state agency or quasi-public  
618 agency, or (3) by the news media, except the court shall not dismiss such  
619 action or claim if the action or claim is brought by the Attorney General  
620 or the person who is an original source of information.

621 Sec. 14. (NEW) (*Effective October 1, 2026*) As used in this section, "state  
622 agency" means a department, board, council, commission, institution or  
623 other executive branch agency. Not later than thirty days after the  
624 passage of a public or special act or the adoption of a regulation that  
625 constitutes a material and substantial change in the law, the state agency  
626 that is charged with implementing or enforcing such act or regulation  
627 shall notify all persons affected by such change in the law for whom the  
628 state agency has an electronic mail address for, of such change, and shall  
629 post a copy of such notice on the state agency's Internet web site.

630 Sec. 15. (NEW) (*Effective July 1, 2026*) (a) There is established a Results-  
631 Based Accountability Working Group to evaluate state agency  
632 programs, which shall be part of the Legislative Department.

633 (b) The working group shall consist of the following members:

634 (1) One appointed by the speaker of the House of Representatives,  
635 who has expertise in state government;

636 (2) One appointed by the president pro tempore of the Senate, who  
637 has expertise in finance;

638 (3) One appointed by the majority leader of the House of  
639 Representatives, who has expertise in accounting;

640 (4) One appointed by the majority leader of the Senate, who has  
641 expertise in human services;

642 (5) One appointed by the minority leader of the House of  
643 Representatives, who has expertise in criminal justice;

644 (6) One appointed by the minority leader of the Senate, who has  
645 expertise in public health; and

646 (7) The Secretary of the Office of Policy and Management, or the  
647 secretary's designee.

648 (c) Any member of the working group appointed under subdivisions  
649 (1) to (6), inclusive, of subsection (b) of this section may be a member of  
650 the General Assembly.

651 (d) All initial appointments to the working group shall be made not  
652 later than September 1, 2026, and shall terminate on August 31, 2029,  
653 regardless of when the initial appointment was made. Any member of  
654 the working group may serve more than one term.

655 (e) The speaker of the House of Representatives and the president pro  
656 tempore of the Senate shall select the chairpersons of the working group  
657 from among the members of the working group. Such chairpersons shall  
658 schedule the first meeting of the working group, which shall be held not  
659 later than September 1, 2026.

660 (f) The administrative staff of the joint standing committee of the  
661 General Assembly having cognizance of matters relating to government  
662 oversight shall serve as administrative staff of the working group.

663 (g) Appointed members of the working group shall serve for three-  
664 year terms which shall commence on the date of appointment, except as  
665 provided in subsection (d) of this section. Members shall continue to  
666 serve until their successors are appointed.

667 (h) Any vacancy shall be filled by the appointing authority. Any  
668 vacancy occurring other than by expiration of term shall be filled for the  
669 balance of the unexpired term.

670 (i) A majority of the working group shall constitute a quorum for the  
671 transaction of any business.

672 (j) The members of the working group shall serve without  
673 compensation, but shall, within the limits of available funds, be  
674 reimbursed for expenses necessarily incurred in the performance of  
675 their duties.

676 (k) The working group shall have the following powers and duties:  
677 (1) Evaluate the mission and programs of each state agency, including  
678 how well each state agency implements such programs and whether the  
679 state's population benefits as a result of such programs; (2) obtain from  
680 any executive department, board, commission or other agency of the  
681 state or Auditors of Public Accounts such assistance and data as  
682 necessary and available to carry out the purposes of this section; (3)  
683 accept any gift, donation or bequest for the purpose of performing the  
684 duties described in this section; and (4) perform such other acts as may  
685 be necessary and appropriate to carry out the duties described in this  
686 section.

687 (l) The working group shall meet at least quarterly and as often as  
688 deemed necessary by the chairpersons or a majority of the working  
689 group. The working group may hold hearings and require department  
690 heads, as defined in section 4-5 of the general statutes, to attend its  
691 public hearings or meetings to provide information to the working  
692 group.

693 (m) Not later than January 1, 2027, and annually thereafter, the

694 working group shall submit a report, in accordance with the provisions  
695 of section 11-4a of the general statutes, to the Governor and the joint  
696 standing committees of the General Assembly having cognizance of  
697 matters relating to government oversight and appropriations and the  
698 budgets of state agencies on the results of the program evaluations  
699 conducted by the working group during the prior year and any  
700 recommendations for policy changes and amendments to the general  
701 statutes necessary to improve or eliminate such programs.

702 Sec. 16. Section 2-92a of the general statutes is repealed and the  
703 following is substituted in lieu thereof (*Effective October 1, 2026*):

704 (a) Except as provided in subsection (b) of this section, each joint  
705 standing committee of the General Assembly having cognizance of any  
706 state agency that is the subject of a report issued by the Auditors of  
707 Public Accounts pursuant to any provision of the general statutes and  
708 the joint standing committee of the General Assembly having  
709 cognizance of matters relating to government [administration]  
710 oversight shall hold a joint public hearing concerning such report not  
711 later than one hundred eighty days after such report is submitted to the  
712 General Assembly by the auditors. In the case of an audit report that has  
713 adverse financial implications of five hundred thousand dollars or  
714 more, the joint standing committees of the General Assembly having  
715 cognizance of matters relating to government oversight and the  
716 appropriations and the budgets of state agencies shall hold such joint  
717 hearing, and the Secretary of the Office of Policy and Management, the  
718 auditors and the head of the state agency that is the subject of such  
719 report shall attend such hearing.

720 (b) The chairpersons of any such committee may elect not to hold a  
721 public hearing on any auditor report that (1) contains no state agency  
722 violations of state statute or regulation, (2) contains only minor or  
723 technical recommendations, or (3) the chairpersons determine does not  
724 otherwise necessitate a public hearing.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section
Sec. 2	<i>October 1, 2026</i>	New section
Sec. 3	<i>October 1, 2026</i>	New section
Sec. 4	<i>October 1, 2026</i>	New section
Sec. 5	<i>October 1, 2026</i>	New section
Sec. 6	<i>October 1, 2026</i>	1-101pp
Sec. 7	<i>October 1, 2026</i>	1-110a(c)
Sec. 8	<i>October 1, 2026</i>	2-90(f)
Sec. 9	<i>October 1, 2026</i>	4-33a
Sec. 10	<i>October 1, 2026</i>	4-37j
Sec. 11	<i>October 1, 2026</i>	4-61dd
Sec. 12	<i>October 1, 2026</i>	4-278(f)
Sec. 13	<i>October 1, 2026</i>	4-282(b)
Sec. 14	<i>October 1, 2026</i>	New section
Sec. 15	<i>July 1, 2026</i>	New section
Sec. 16	<i>October 1, 2026</i>	2-92a

**Statement of Legislative Commissioners:**

In Section 2, "sections 2 to 4, inclusive" was changed to "sections 3 to 5, inclusive" for accuracy and the definition of "legislative leaders" was moved from Subsec. (c) to Subsec. (a), for consistency with standard drafting conventions.

**GOS**      *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

**OFA Fiscal Note**

**State Impact:**

Agency Affected	Fund-Effect	FY 27 \$	FY 28 \$
Legislative Mgmt.	GF - Cost	455,000	590,000
State Comptroller - Fringe Benefits <sup>1</sup>	GF - Cost	169,371	225,828

Note: GF=General Fund

**Municipal Impact:** None

**Explanation**

The bill creates the Office of Government Oversight and Efficiency (OGOE) to detect and prevent fraud, waste, and abuse and tasks the office with various requirements<sup>2</sup> resulting in a cost to the Office of Legislative Management (OLM)<sup>3</sup>. To meet the requirements of the bill the OGOE will need to hire a director and four additional staff for a salary and other expenses cost of \$455,000 in FY 27<sup>4</sup> and \$590,000 in FY 28, along with associated fringe benefits of \$169,371 in FY 27 and \$225,828 in FY 28.

<sup>1</sup>The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 41.82% of payroll in FY 27.

<sup>2</sup>The bill requires the OGOE to create a system of coordination for offices performing similar duties and auditing functions, approve audit programs, conduct inspections and investigations into expenditures of state funds and use of state-owned or leased property, adopt regulations, make recommendations to the CGA for the detection of fraud, and submit an annual report to the CGA.

<sup>3</sup>The OGOE is within OLM for administrative purposes only.

<sup>4</sup>Costs in FY 27 reflect nine months of expenditures due to the bill's 10/1/26 effective date.

The bill also creates a working group on preventing the waste of taxpayer dollars and a results-based accountability working group resulting in no fiscal impact to the state because the working groups have the expertise to meet the requirements of the bill.

***The Out Years***

The annualized ongoing fiscal impact identified above would continue into the future subject to employee wage increases and inflation.

**OLR Bill Analysis****sSB 324*****AN ACT CONCERNING GOVERNMENT OVERSIGHT OVER FRAUD AND WASTE AND ESTABLISHING THE OFFICE OF GOVERNMENT OVERSIGHT AND EFFICIENCY.*****SUMMARY**

This bill establishes the Office of Government Oversight and Efficiency (OGOE) to detect and prevent fraud, waste, and abuse in (1) state personnel management; (2) state property use and disposition; and (3) the collection, disbursement, and expenditure of state and federal funds administered by state or quasi-public agencies (governmental agencies). It must also evaluate the economy, efficiency, and effectiveness of these agencies and private contractors providing government services. The bill establishes OGOE as an independent office under the Joint Committee on Legislative Management for administrative purposes only (§§ 2-13).

The bill also establishes working groups on (1) fraud and waste (§ 1) and (2) results-based accountability (§ 15). Additionally, it requires state agencies to notify certain persons about changes in the law (§ 14). It also generally requires that the Appropriations and Government Oversight committees hold joint hearings on Auditors of Public Accounts (APA) reports with certain financial implications (§ 16).

The bill also makes technical and conforming changes.

**EFFECTIVE DATE:** October 1, 2026, except the provisions on the working group concerning fraud and waste are effective upon passage and the Results-Based Accountability Working Group provisions are effective July 1, 2026.

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**§§ 2-13 — OFFICE OF GOVERNMENT OVERSIGHT AND EFFICIENCY*****OGOE Executive Director Appointment (§ 2)***

Under the bill, OGOE is managed by an executive director. The bill requires a committee of legislative leaders (House speaker, Senate president pro tempore, and the minority leaders) and the chairs and ranking members of the Government Administration and Elections (GAE) Committee to choose three candidates to potentially serve in this role. The legislative leaders must then (1) choose a candidate within 90 days of receiving the names and (2) submit him or her for confirmation by the Senate or House under the procedures outlined in state law. If the leaders fail to appoint someone by the deadline, the leaders and the GAE chairs and ranking members must choose a candidate by majority vote to submit for confirmation.

The director must be appointed based on integrity and demonstrated competence in the appropriate fields. If confirmed, the director serves a five-year term or until a successor is appointed in the same manner outlined above. The legislative leaders may remove the director for cause, including for material neglect of duty, gross misconduct, or a felony conviction.

***Executive Director Authority (§ 3)***

The bill allows the executive director to adopt regulations to implement the bill's requirements for OGOE and employ any necessary staff, within available appropriations. He or she must also coordinate efforts, within available appropriations, between OGOE and others with similar duties and internal auditing functions at governmental agencies. This coordination may include continuous professional development, adopting guidelines and procedures, and organizing a communication network.

The bill specifies that internal auditors and support staff within agencies, although still assigned to their agencies, must have their internal audit program approved by the OGOE director.

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**Executive Director Duties (§§ 4 & 5)**

Under the bill, the executive director must:

1. conduct preemptive inspections, inquiries, and investigations regarding programs and operations that involve (a) collecting, administering, or expending state funds (particularly for contracts, pensions, state benefits, and legal settlements); (b) the use and disposition of state-owned and -leased property; or (c) state agency management practices and legal compliance;
2. have access to all records, data, and material maintained by or available to (a) any governmental agency or (b) any person or organization involved in state employee management, or the funds or property described above (such as a contractor); and
3. report annually on OGOE's activities to the governor and Appropriations and GAE committees starting by October 31, 2027 (and the director may make additional reports as appropriate).

The executive director may:

1. make recommendations to the governor and the legislature on the prevention and detection of fraud, waste, and abuse by governmental and non-governmental entities;
2. assist or request assistance from any governmental agency, state employee, or contractor collecting or expending state funds or controlling state-owned or -leased property; and
3. apply to Superior Court for subpoenas for witnesses and records.

The subpoenaed witnesses or records must be necessary in order to obtain information that is otherwise unavailable and is needed for the director to carry out his or her duties. Before the court issues a subpoena, it must provide an opportunity to hear the executive director and the affected party. The subpoena may not be issued unless the court certifies that the (1) targeted witness is or documents are reasonably necessary

for the executive director to carry out his or her duties and (2) director made reasonable efforts to get the information before requesting the subpoena.

The director must also report findings of fact and recommendations to certain entities, as shown in the table below, if the executive director has certain reasonable beliefs.

**Table: Required Reporting by OGOE Executive Director**

<i>Person or Entity Receiving Report</i>	<i>Reasonable Belief Under the Bill</i>
Chief state’s attorney or Office of State Ethics (OSE)	State law has been or is being violated
Attorney general (AG)	Civil recovery proceedings are appropriate
U.S. attorney	Federal law has been or is being violated or civil recovery proceedings are appropriate

**FOIA Exemption (§ 5)**

Under the bill, all OGOE records relating to an actual or potential inspection, inquiry, or investigation are generally deemed confidential and not public records under the state’s Freedom of Information Act (FOIA). The records generally become public (1) if the inspection, inquiry, or investigation is concluded and all criminal and civil actions are resolved; (2) as the executive director deems appropriate; or (3) two years after the office receives or creates the record.

If state law requires the record to be confidential, the requirements and penalties that apply to its original holder apply to OGOE and its executive director in the same manner and extent. Additionally, records are not deemed confidential solely because they have been sent to the director.

**Governmental Reporting to OGOE (§§ 6-10)**

By law, certain governmental entities may, or are required to, report certain information to certain auditing and enforcement entities. The bill adds the OGOE executive director to several of these existing provisions as an entity receiving information, including information from:

1. OSE on possible violations of the state’s ethics laws or regulations

(§ 6);

2. the APA concerning the unauthorized, illegal, irregular, or unsafe handling or expenditure of governmental agency funds or any breakdown in the safekeeping of any governmental resources (§ 8); and
3. trustees of state institutions, state department heads, boards, commissions, and other governmental agencies reporting certain data breaches or the mishandling of funds or any breakdowns described above (§ 9).

Relatedly, state law also outlines procedures for revoking or reducing public officials' or state or municipal employees' pension if they are convicted of certain crimes related to their public office. By law, their pension may not be reduced or revoked if the court or AG determines that the defendant voluntarily provided information to certain entities about crimes committed by other officials or employees to a greater extent than their own involvement (but before being aware of any criminal investigations). The bill adds OGOE to this list of entities (§ 7).

The bill also requires OGOE, instead of the APA as under current law, to assist foundations (generally nonprofits supporting or improving state agencies) in developing a written policy on (1) investigating certain misconduct, (2) prohibiting whistleblower retaliation, (3) penalties for false reporting, and (4) providing the policy to its employees (§ 10).

### ***Public Reporting to OGOE (§ 11)***

Under current law, any person having knowledge of corruption or certain other misconduct involving state agencies, large state contracts, or economic development funds may report this information to the APA. The bill instead allows these reports to be brought both to OGOE and the APA.

Current law establishes certain procedures for the APA to report, review, and act on this information in collaboration with the AG. The bill instead authorizes the OGOE executive director to do these actions

with the AG. It also authorizes the director, instead of the APA, to reject these complaints and report to the AG the reason for the rejection, or refer these complaints to the appropriate state agencies. Relatedly, the bill requires the director, instead of the APA, to annually report to the legislature on these complaints.

Additionally, the law currently allows the revenue services commissioner to disclose tax returns and tax return information to the APA for completing reports to the AG if requested in writing. The bill instead allows OGOE to request this information on OGOE's or the APA's behalf.

The bill otherwise generally incorporates the director into existing law's whistleblower framework as already authorized for the APA (§ 11).

### ***False Claims Act (§§ 12 & 13)***

Relatedly, state law authorizes whistleblowers to receive monetary awards as part of a false claims action, with the award being lower if the court determines that the case was primarily based on information from other sources (such as certain government reports). The bill expands this to include information provided to OGOE as part of its reports, hearings, audits, or investigations. As under existing law for certain governmental public reports, hearings, audits, or investigations, the bill also generally authorizes the court to dismiss false claims act cases if they substantially repeat information already published by OGOE.

## **§ 1 — FRAUD AND WASTE WORKING GROUP**

### ***Purpose***

The bill requires the group to study and recommend legislation on preventing the waste of taxpayer dollars by establishing partnerships between state agencies and private providers for improving service delivery, reducing service costs, and fostering investigations to uncover fraud and waste (for example, in employee contracts, payments to employees, and pension benefits).

### ***Membership***

The group’s membership consists of the following state officials: the Department of Administrative Services commissioner, Office of Policy and Management (OPM) secretary, and AG, or their designees. It also includes eight appointed members chosen by the legislative leaders as described in the table below.

**Table: Working Group Appointed Members**

<i>Appointing Authority</i>	<i>Requirements</i>
House speaker (two)	One must have expertise in fraud detection and the other in state agency contracts
Senate president pro tempore (two)	One of the two must be a state employee collective bargaining unit representative
House majority leader	None
Senate majority leader	None
House minority leader	None
Senate minority leader	None

Appointing authorities must make their initial appointments within 30 days after the bill is enacted and fill any vacancy. Appointed members may be legislators.

**Leadership and Meetings**

Under the bill, the House speaker and Senate president pro tempore must select the chairpersons from among the group’s members. The chairpersons must schedule and hold the first meeting with 60 days of the bill’s enactment. The Government Oversight Committee’s administrative staff serve in this capacity for the group.

**Report**

By December 31, 2026, the working group must submit its findings and recommendations to the Government Oversight Committee. The working group ends when it submits its report or on December 31, 2026, whichever is later.

**§ 14 — LAW CHANGE NOTIFICATIONS**

The bill requires all state agencies charged with implementing or enforcing acts or regulations to notify certain persons affected by a substantial change in the law within their jurisdiction due to the passage

of a legislative act or the adoption of a regulation. Within 30 days after the act's passage or regulation's adoption, the agency must (1) email each affected person they have an email address for and (2) post a copy of the notice on the agency's website. These requirements apply to all departments, boards, councils, commissions, institutions, and other executive branch agencies.

## § 15 — RESULTS-BASED ACCOUNTABILITY WORKING GROUP

### *Membership*

The bill requires the group, which it establishes as part of the Legislative Department, to evaluate state agency programs. The group's membership consists of the OPM secretary, or his designee, and six appointed members chosen by the legislative leaders as described in the table below.

**Table: Working Group Appointed Members**

<i>Appointing Authority</i>	<i>Required Expertise</i>
House speaker	State government
Senate president pro tempore	Finance
House majority leader	Accounting
Senate majority leader	Human services
House minority leader	Criminal justice
Senate minority leader	Public health

Appointing authorities must make their initial appointments by September 1, 2026, and fill any vacancy. Each initial term ends on August 31, 2029. Vacancies occurring during a term must be filled for the rest of the unexpired term. Appointed members may be legislators. There is no term limit.

Members serve three-year terms starting on their appointment date and continue to serve until their successors are appointed. They serve without compensation but may be reimbursed for necessary expenses, within available funds.

### *Leadership and Meetings*

Under the bill, the House speaker and Senate president pro tempore

must select the chairpersons from among the group's members. The chairpersons must schedule and hold the first meeting by September 1, 2026, and meet at least quarterly and as often as the chairs or a majority of the working group deem necessary. A majority of the group's members constitutes a quorum for conducting business.

The Government Oversight Committee's administrative staff serve in this capacity for the working group.

**Power and Duties**

The working group's powers and duties include:

1. evaluating each state agency's mission and programs, including their benefits and implementation;
2. obtaining data and assistance from the APA and any executive department, board, commission, or other state agency;
3. accepting gifts, donations, or bequests in order to carry out their duties;
4. holding hearings and requiring department heads to attend and testify; and
5. any other acts necessary to accomplish its mission.

**Reports**

Starting by January 1, 2027, the working group must annually submit any program evaluation results and its policy and legislative recommendations to the governor and the Appropriations and Government Oversight committees.

**§ 16 — HEARINGS ON APA AUDITS WITH CERTAIN FINANCIAL IMPLICATIONS**

Under current law, after the APA conducts an audit, the legislative committee with cognizance over the audited entity generally must hold a public hearing concerning the audit within 180 days of its submission to the legislature. The bill requires these hearings to be held in

conjunction with the Government Oversight Committee instead of the GAE Committee.

The bill requires that for any audit report with adverse financial implications of \$500,000 or more, the Appropriations and Government Oversight committees generally must hold a joint hearing and the OPM secretary, the auditors, and the state agency head must attend. As under existing law, the committee chairpersons may choose to not hold a hearing on audits that contain no law violations or only minor and technical recommendations or if they determine it is not necessary.

## **BACKGROUND**

### ***Related Bill***

SB 462, favorably reported by the GAE Committee, has substantially similar provisions as this bill on establishing a government oversight office.

## **COMMITTEE ACTION**

Government Oversight Committee

Joint Favorable Substitute

Yea 12    Nay 0    (03/17/2026)