General Assembly  
Amendment  
February Session, 2014  
LCO No. 4565

Offered by:  
REP. WIDLITZ, 98th Dist.  
SEN. FONFARA, 1st Dist.

To: Subst. House Bill No. 5546  
File No. 504  
Cal. No. 297

"AN ACT IMPLEMENTING CERTAIN RECOMMENDATIONS OF THE AUDITORS OF PUBLIC ACCOUNTS."

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1 Strike everything after the enacting clause and substitute the following in lieu thereof:

2 "Section 1. Section 4-61dd of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):

3 (a) Any person having knowledge of any matter involving
4 corruption, unethical practices, violation of state laws or regulations,
5 mismanagement, gross waste of funds, abuse of authority or danger to
6 the public safety occurring in any state department or agency or any
7 quasi-public agency, as defined in section 1-120, or any person having
8 knowledge of any matter involving corruption, violation of state or
9 federal laws or regulations, gross waste of funds, abuse of authority or
10 danger to the public safety occurring in any large state contract, may
11 transmit all facts and information in such person's possession
12 concerning such matter to the Auditors of Public Accounts. The
Auditors of Public Accounts shall review such matter and report their findings and any recommendations to the Attorney General. Upon receiving such a report, the Attorney General shall make such investigation as the Attorney General deems proper regarding such report and any other information that may be reasonably derived from such report. Prior to conducting an investigation of any information that may be reasonably derived from such report, the Attorney General shall consult with the Auditors of Public Accounts concerning the relationship of such additional information to the report that has been issued pursuant to this subsection. Any such subsequent investigation deemed appropriate by the Attorney General shall only be conducted with the concurrence and assistance of the Auditors of Public Accounts. At the request of the Attorney General or on their own initiative, the auditors shall assist in the investigation.

(b) (1) The Auditors of Public Accounts may reject any complaint received pursuant to subsection (a) of this section if the Auditors of Public Accounts determine one or more of the following:

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

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

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

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

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

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

(2) If the Auditors of Public Accounts reject a complaint pursuant to
subdivision (1) of this subsection, the Auditors of Public Accounts
shall provide a report to the Attorney General setting out the basis for
the rejection.

(3) If at any time the Auditors of Public Accounts determine that a
complaint is more appropriately investigated by another state agency,
the Auditors of Public Accounts shall refer the complaint to such
agency. The investigating agency shall provide a status report
regarding the referred complaint to the Auditors of Public Accounts
upon request.

(c) Notwithstanding the provisions of section 12-15, the
Commissioner of Revenue Services may, upon written request by the
Auditors of Public Accounts, disclose return or return information, as
defined in section 12-15, to the Auditors of Public Accounts for
purposes of preparing a report under subsection (a) or (b) of this
section. Such return or return information shall not be published in
any report prepared in accordance with subsection (a) or (b) of this
section, and shall not otherwise be redisclosed, except that such
information may be redisclosed to the Attorney General for purposes
of an investigation authorized by subsection (a) of this section. Any
person who violates the provisions of this subsection shall be subject to
the provisions of subsection (g) of section 12-15.

[(c) (d) The Attorney General may summon witnesses, require the
production of any necessary books, papers or other documents and
administer oaths to witnesses, where necessary, for the purpose of an
investigation pursuant to this section or for the purpose of
investigating a suspected violation of subsection (a) of section 17b-301b
until such time as the Attorney General files a civil action pursuant to
section 17b-301c. Upon the conclusion of the investigation, the
Attorney General shall where necessary, report any findings to the
Governor, or in matters involving criminal activity, to the Chief State's
Attorney. In addition to the exempt records provision of section 1-210,
the Auditors of Public Accounts and the Attorney General shall not,
after receipt of any information from a person under the provisions of]
this section or sections 17b-301c to 17b-301g, inclusive, disclose the
identity of such person without such person's consent unless the
Auditors of Public Accounts or the Attorney General determines that
such disclosure is unavoidable, and may withhold records of such
investigation, during the pendency of the investigation.

[(d)] (e) (1) No state officer or employee, as defined in section 4-141,
no quasi-public agency officer or employee, no officer or employee of a
large state contractor and no appointing authority shall take or
threaten to take any personnel action against any state or quasi-public
agency employee or any employee of a large state contractor in
retaliation for (A) such employee's or contractor's disclosure of
information to (i) an employee of the Auditors of Public Accounts or
the Attorney General under the provisions of subsection (a) of this
section; (ii) an employee of the state agency or quasi-public agency
where such state officer or employee is employed; (iii) an employee of
a state agency pursuant to a mandated reporter statute or pursuant to
subsection (b) of section 17a-28; or (iv) in the case of a large state
contractor, an employee of the contracting state agency concerning
information involving the large state contract; or (B) such employee's
testimony or assistance in any proceeding under this section.

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

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

(3) As an alternative to the provisions of subdivision (2) of this subsection: (A) A state or quasi-public agency employee who alleges that a personnel action has been threatened or taken may file an appeal not later than ninety days after learning of the specific incident giving rise to such claim with the Employees' Review Board under section 5-202, or, in the case of a state or quasi-public agency employee covered by a collective bargaining contract, in accordance with the procedure provided by such contract; or (B) an employee of a large state contractor alleging that such action has been threatened or taken may, after exhausting all available administrative remedies, bring a civil action in accordance with the provisions of subsection (c) of section 31-51m.
(4) In any proceeding under subdivision (2) or (3) of this subsection concerning a personnel action taken or threatened against any state or quasi-public agency employee or any employee of a large state contractor, which personnel action occurs not later than two years after the employee first transmits facts and information concerning a matter under subsection (a) of this section or discloses information under subdivision (1) of this subsection to the Auditors of Public Accounts, the Attorney General or an employee of a state agency or quasi-public agency, as applicable, there shall be a rebuttable presumption that the personnel action is in retaliation for the action taken by the employee under subsection (a) of this section or subdivision (1) of this subsection.

(5) If a state officer or employee, as defined in section 4-141, a quasi-public agency officer or employee, an officer or employee of a large state contractor or an appointing authority takes or threatens to take any action to impede, fail to renew or cancel a contract between a state agency and a large state contractor, or between a large state contractor and its subcontractor, in retaliation for the disclosure of information pursuant to subsection (a) of this section or subdivision (1) of this subsection to any agency listed in subdivision (1) of this subsection, such affected agency, contractor or subcontractor may, not later than ninety days after learning of such action, threat or failure to renew, bring a civil action in the superior court for the judicial district of Hartford to recover damages, attorney's fees and costs.

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

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

[(g)] [(h)] Each contract between a state or quasi-public agency and a large state contractor shall provide that, if an officer, employee or appointing authority of a large state contractor takes or threatens to take any personnel action against any employee of the contractor in retaliation for such employee's disclosure of information to any employee of the contracting state or quasi-public agency or the Auditors of Public Accounts or the Attorney General under the provisions of subsection (a) or subdivision (1) of subsection (d) of this section, the contractor shall be liable for a civil penalty of not more than five thousand dollars for each offense, up to a maximum of twenty per cent of the value of the contract. Each violation shall be a separate and distinct offense and in the case of a continuing violation each calendar day's continuance of the violation shall be deemed to be a separate and distinct offense. The executive head of the state or quasi-public agency may request the Attorney General to bring a civil action in the superior court for the judicial district of Hartford to seek imposition and recovery of such civil penalty.

[(h)] [(i)] Each state agency or quasi-public agency shall post a notice of the provisions of this section relating to state employees and quasi-public agency employees in a conspicuous place that is readily available for viewing by employees of such agency or quasi-public agency. Each large state contractor shall post a notice of the provisions of this section relating to large state contractors in a conspicuous place which is readily available for viewing by the employees of the contractor.
[(i)] (j) No person who, in good faith, discloses information in accordance with the provisions of this section shall be liable for any civil damages resulting from such good faith disclosure.

[(j)] (k) As used in this section:

(1) "Large state contract" means a contract between an entity and a state or quasi-public agency, having a value of five million dollars or more; and

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

Sec. 2. Subsections (b) and (c) of section 32-605 of the general statutes are repealed and the following is substituted in lieu thereof (Effective October 1, 2014):

(b) [In lieu of the audit required under section 1-122, the] The board of directors of the authority shall annually contract with a person, firm or corporation for a compliance audit of the authority’s activities during the preceding authority fiscal year. The audit shall determine whether the authority has complied with its regulations concerning affirmative action, personnel practices, the purchase of goods and services and the use of surplus funds. The board shall submit the audit report to the Governor, the Auditors of Public Accounts and the joint standing committee of the General Assembly having cognizance of matters relating to finance, revenue and bonding.

(c) The board of directors of the authority shall annually contract with a firm of certified public accountants to undertake an independent financial audit of the authority in accordance with generally accepted auditing standards. The board shall submit the audit report to the Governor, the Auditors of Public Accounts and the joint standing committee of the General Assembly having cognizance of matters relating to finance, revenue and bonding. [The books and accounts of the authority shall be subject to annual audits by the state Auditors of Public Accounts.]
Sec. 3. Subsection (g) of section 32-657 of the general statutes is repealed and the following is substituted in lieu thereof (Effective October 1, 2014):

(g) The Stadium Facility Enterprise Fund, the revenue account, the operating expense account and any other account holding state moneys associated with the stadium facility shall be subject to the provisions of sections 3-112, 3-114, 4-32 and 4-33, except to the extent inconsistent with express provisions of this section, and shall be audited [on a comprehensive annual basis] as provided in section 1-122 by the Auditors of Public Accounts. [Such audits shall be conducted at the sole expense of the Auditors of Public Accounts and with advance notice to the secretary.]

This act shall take effect as follows and shall amend the following sections:

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<th>Section</th>
<th>Effect Date</th>
<th>Amended Sections</th>
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<tr>
<td>1</td>
<td>from passage</td>
<td>4-61dd</td>
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<tr>
<td>2</td>
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<td>3</td>
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