ASSEMBLY BILL NO. 404—ASSEMBLYMEN MILLER, MCCURDY II, BENITEZ-THOMPSON; BROOKS AND FUMO

MARCH 20, 2017

Referred to Committee on Government Affairs

SUMMARY—Creates the Nevada Office of the Inspector General. (BDR 18-740)

FISCAL NOTE: Effect on Local Government: Increases or Newly
Provides for Term of Imprisonment in County or City
Jail or Detention Facility.
Effect on the State: Yes.

EXPLANATION - Matter in bolded italics is new; matter between brackets fomitted material; is material to be omitted.

AN ACT relating to governmental administration; creating the Nevada Office of the Inspector General; setting forth the powers and duties of the Inspector General and employees of the Office of the Inspector General; requiring a state agency or local government to cooperate with and provide assistance to the Inspector General in carrying out those duties; providing penalties; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law creates the Office of Finance in the Office of the Governor consisting of the Director of the Office, the Division of Internal Audits and the Budget Division. (NRS 223.400) This bill creates the Nevada Office of the Inspector General. Section 6 of this bill provides that the Nevada Office of the Inspector General consists of the Inspector General and any person employed in the Office of the Inspector General. Section 6 also requires the Governor to appoint the Inspector General for a term of 4 years from a list of candidates submitted by the Legislative Commission. Section 8 of this bill: (1) requires the Inspector General to appoint a Deputy Inspector General and a Special Counsel who are in the unclassified service of this State; and (2) authorizes the Inspector General, within the limits of available money, to employ such persons in the classified service of this State as he or she deems necessary to provide an appropriate staff for the Office.

Section 9 of this bill requires the Inspector General to submit a quarterly report to the Governor and the Director of the Legislative Counsel Bureau setting forth any findings, conclusions or recommendations relating to an audit, investigation, inspection or review. Section 11 of this bill transfers from the Division of Internal





Audits to the Inspector General the requirement to establish a telephone number to receive information relating to abuse, fraud and waste with respect to the use of public money. Section 11 also: (1) requires a state agency or local government, upon request by the Inspector General, to cooperate with and provide assistance to the Inspector General in carrying out his or her duties; and (2) makes any person who willfully resists, prevents, impedes or interferes in the performance of the duties of the Nevada Office of the Inspector General guilty of a category C felony. Section 12 of this bill authorizes the Inspector General to issue subpoenas. Sections 10, 13 and 19 of this bill provide for the confidentiality of: (1) any record maintained by the Inspector General during an investigation; and (2) the identity of any whistleblower. Otherwise, section 13 provides that the reports of the Inspector General must be made available to the public. Section 16 of this bill makes it a category C felony to retaliate against a whistleblower.

Existing law provides that a person commits a gross misdemeanor if he or she uses threats or force to prevent an executive or administrative officer from performing his or her duties. **Section 17** of this bill makes it a category E felony for a person to use threats or force to prevent the Inspector General or an employee of the Nevada Office of the Inspector General from performing his or her duties.

Section 18 of this bill includes the Inspector General and employees of the Nevada Office of the Inspector General in the definition of "officer" for the purpose of the increased penalty for battery of an officer.

Section 23 of this bill requires the Governor to appoint the Inspector General on or before December 1, 2017.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

- **Section 1.** Title 18 of NRS is hereby amended by adding thereto a new chapter to consist of the provisions set forth as sections 2 to 16, inclusive, of this act.
- Sec. 2. As used in this chapter, unless the context requires otherwise, the words and terms defined in sections 3, 4 and 5 of this act have the meanings ascribed to them in those sections.
- Sec. 3. "Local government" means any political subdivision of this State that receives funding from the State, including, without limitation, any county, city, town, board, airport authority, regional transportation commission, fire protection district, irrigation district, school district or other special district that performs a governmental function and receives funding from the State.
- Sec. 4. "Office" means the Nevada Office of the Inspector General created by section 6 of this act.
- 16 Sec. 5. "State agency" means any board, commission,
 17 department, division, officer or employee in the Executive
 18 Department of the State Government.
 19 Sec. 6. 1. The Nevada Office of the Inspector General is
 - Sec. 6. 1. The Nevada Office of the Inspector General is hereby created. The Nevada Office of the Inspector General





consists of the Inspector General and any person employed in the Office.

- 2. The Governor shall appoint the Inspector General for a term of 4 years, and until a successor is appointed and qualified, from a list of three candidates submitted by the Legislative Commission. The Inspector General may be reappointed, and the Legislative Commission shall include the incumbent Inspector General on its list of candidates unless the Legislative Commission determines that the incumbent should not be recommended for reappointment for cause, including, without limitation, inefficiency, neglect of duty or malfeasance in office. A vacancy in the Office must be filled in the same manner as the original appointment.
- 3. The Inspector General may be removed only by impeachment for misdemeanor or malfeasance in office. The Inspector General shall be deemed to be a state officer for the purposes of NRS 283.140 to 283.290, inclusive.
- 4. The Inspector General must have the demonstrated ability to administer a major public agency in the field of auditing, investigations or inspections or performance reviews of programs of government agencies, including, without limitation:
- (a) Experience in accounting, auditing, financial analysis, law, management analysis, public administration, investigation, criminal justice administration or any other closely related fields; and
- (b) Certification as a Certified Fraud Examiner by the Association of Certified Fraud Examiners, or its successor organization, and as a Certified Inspector General by the Association of Inspectors General, or its successor organization, not later than 18 months after appointment as the Inspector General.
 - 5. The Inspector General:
 - (a) Is in the unclassified service of the State.
- 34 (b) Shall devote his or her entire time and attention to the 35 business of his or her office and shall not engage in any other 36 gainful employment or occupation.
 - Sec. 7. The Inspector General is responsible for the administration of the provisions of this chapter and all other provisions of law relating to the functions of the Office.
 - Sec. 8. 1. The Inspector General:
 - (a) Shall appoint a Deputy Inspector General and a Special Counsel. The Deputy Inspector General and Special Counsel are in the unclassified service of the State.
- 44 (b) May, within the limits of available money, employ such 45 persons he or she deems necessary to provide an appropriate staff





for the Office, including, without limitation, auditors, administrative staff, investigators and sworn peace officers. The Inspector General may employ category II peace officers. Any such persons employed pursuant to this paragraph are in the classified service of the State.

2. The Inspector General may obtain the services of certified public accountants, qualified management consultants or other professional experts necessary to independently perform the functions of the Office, within the limits of money available for that purpose.

Sec. 9. 1. The Inspector General shall:

- (a) Establish and maintain a full-time program of auditing, investigation, inspection, and performance review to provide increased accountability and oversight of each state agency and local government and to assist in improving agency operations and deterring and identifying fraud, waste, abuse or corruption; and
- (b) Upon request by the Governor, but not less often than quarterly, submit a report to the Governor and to the Director of the Legislative Counsel Bureau for distribution to the Legislature setting forth any findings and conclusions relating to an audit, investigation, inspection or review specified in subsection 1 and any suggested corrective or remedial actions, including, without limitation, increased oversight, carrying out or modifying any controls for internal management, termination of employment or referral to the Commission on Ethics or the Attorney General when appropriate.

2. The Inspector General may:

- (a) Engage in prevention activities, including, without limitation, the review of legislation, rules, regulations, policies, procedures, transactions, training and education by any state agency or local government.
- (b) Review the reliability and validity of the information provided through the performance measures and standards of any state agency or local government.
- (c) Conduct a review of the performance measurement system of any state agency or local government.
- (d) Attend any meeting held by any state agency or local government.
- (e) Audit the economy, efficiency and effectiveness of the operations and functions of any state agency or local government.
- (f) Audit, inspect, investigate and review the activities, records, procurements, grants, agreements and other financial arrangements undertaken by any state agency, local government, contractor, grantee or other recipient of money, property or





services to be spent or used on behalf of the State or a political subdivision, but not including a natural person who is receiving:

(1) Compensation for employment; or

(2) An income subsidy with no restriction on his or her use of the money or property.

(g) Recommend remedial actions to be taken by any state agency or local government to overcome or correct operating or maintenance deficiencies or inefficiencies identified by the Office.

- (h) Establish a program for receiving, reviewing and investigating any complaint submitted to the Inspector General concerning any fraud, waste, abuse or corruption within any state agency or local government, including, without limitation, deficiencies in the operation and maintenance of facilities, and referral of those complaints to the appropriate state agency or local government.
 - (i) Conduct civil, criminal and administrative investigations.
- (j) Conduct joint investigations and projects with other oversight or law enforcement agencies.
- (k) Provide information and evidence relating to criminal acts to appropriate law enforcement officials.

(l) Refer matters for further civil, criminal and administrative action to appropriate administrative and prosecutorial agencies.

- (m) Identify any other state agency or local government that is responsible for auditing, investigating, inspecting or reviewing the operation and management of a state agency or local government, including, without limitation, the Inspector General of the Department of Corrections, and coordinate with those state agencies and local governments to share information and avoid any duplication of activities.
 - (n) Issue public reports.
- 31 (o) Adopt regulations to carry out the provisions of this 32 chapter.
- (p) Perform any other task relating to his or her duties as he or she determines is necessary.

Sec. 10. 1. The Inspector General shall:

- (a) Establish a telephone number at which a person may confidentially report to the Office information relating to abuse, fraud or waste with respect to public money received and used by an agency or contractor; and
 - (b) Create a written notice that:
- (1) Clearly identifies the telephone number established pursuant to paragraph (a); and
- (2) Contains a statement directing any person with any information relating to abuse, fraud or waste with respect to public money received and used by an agency or contractor to





report the information at the telephone number established pursuant to paragraph (a).

- 2. The written notice created pursuant to paragraph (b) of subsection 1 must be posted conspicuously:
 - (a) In each public building of an agency; and
 - (b) On the Internet website maintained by the Office.
- 3. Upon receipt of information from a person calling the telephone number established pursuant to paragraph (a) of subsection 1, the Office shall perform a review and prepare a report of its findings. The report is a public record and:
 - (a) Must include, without limitation, an explanation of:
 - (1) The purpose of the review; and
- (2) Any resolution or corrective action taken by the Office that resulted from the review.
- (b) Must not include the identity of the person who reported the information.
- 4. Except as otherwise provided in subsections 3 and 5, any information reported to the Office at the telephone number established pursuant to paragraph (a) of subsection 1, including, without limitation, the identity of the person who reported the information, is confidential.
- 22 5. The Office shall not disclose information that is 23 confidential pursuant to subsection 4 except:
 - (a) Pursuant to NRS 239.0115;
 - (b) For the purpose of carrying out any duty of the Office or for the purpose of assisting the Director of the Office of Finance or Administrator of the Division of Internal Audits of the Office of Finance in carrying out any duty of the Director or Administrator;
 - (c) Upon the lawful order of a court of competent jurisdiction;
 - (d) To the Office of the Attorney General or the office of a district attorney within this State for the purpose of investigating the alleged abuse, fraud or waste reported to the Nevada Office of the Inspector General.
 - 6. As used in this section:
 - (a) "Contractor" means any person, business, organization or nonprofit corporation that contracts with a state agency or local government to receive public money. The term includes a subcontractor or a third party who receives any portion of the public money from the contractor to carry out any obligation pursuant to a contract between the contractor and the state agency or local government.
 - (b) "Public money" means any money deposited with a depository by the State Treasurer and includes money which is received by a state agency or local government from the Federal



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Government for distribution and use in this State pursuant to a federal law or federal regulation.

- Sec. 11. 1. Upon request by the Inspector General, each state agency and local government and any employee of a state agency or local government shall cooperate with and provide assistance to the Inspector General in carrying out the provisions of this chapter and shall ensure that the premises, equipment, employees, books, papers, contracts, correspondence and other records of the state agency or local government are available for use by the Inspector General in carrying out those provisions.
- 2. A person who willfully prevents, impairs or prohibits the Inspector General from initiating, carrying out or completing any audit, investigation, inspection or review is guilty of a category C felony and shall be punished as provided in NRS 193.130.
- Sec. 12. 1. In carrying out the provisions of this chapter, the Inspector General may subpoena the attendance of witnesses or the production of books, papers and documents, notwithstanding any claim of privilege.
- 2. If any person refuses to obey a subpoena issued by the Inspector General, the Inspector General may present a petition to the district court of the county in which the person resides, setting forth the facts, and thereupon the court, in a proper case, shall issue its subpoena to the person requiring his or her attendance before the court to testify or to produce books, papers and documents.
- 3. Any person failing or refusing to obey the subpoena of a district court may be proceeded against in the same manner as for a refusal to obey any other order of the court.

 Sec. 13. 1. Except as otherwise provided in subsection 2.
 - Sec. 13. 1. Except as otherwise provided in subsection 2, the Inspector General shall make public all reports of audits, investigations, inspections and reviews conducted by the Office and open to inspection after the audit, investigation, inspection or review is concluded.
- 34 2. A report made public pursuant to subsection 1 must not 35 include:
 - (a) The personal identifying information of an original source without his or her written consent; or
 - (b) Any information deemed privileged or confidential by law.
 - 3. As used in this section:
 - (a) "Original source" means a person:
 - (1) Who voluntarily discloses to the State or a local government the information on which the allegations or transactions for an audit, investigation, inspection or review are based before the public disclosure of the information; or





- (2) Who has knowledge of information that is independent of and materially adds to any allegations or transactions which are publicly disclosed and who voluntarily provides such information to the State or a local government.
- (b) "Personal identifying information" has the meaning ascribed to it in NRS 205.4617.
- Sec. 14. 1. Audits, investigations, inspections and reviews conducted by the Office must conform to professional standards such as those promulgated by the Association of Inspectors General or its successor organization.
- 2. The Legislative Auditor shall, on or before July 1, 2022, and at least once every 3 years thereafter, prepare and make public a report reviewing a representative sample of the audits, investigations, inspections and reviews issued by the Office for that time period for conformance with the professional standards pursuant to subsection 1.
- Sec. 15. 1. The Nevada Inspector General's Fund is hereby created in the State Treasury as a special revenue fund to be administered by the Office. All money received by the Office must be deposited in the Fund. The money in the Fund does not revert to the State General Fund at the end of any fiscal year, and the balance in the Fund must be carried forward to the next fiscal year.
- 2. The interest and income earned on the money in the Fund, after deducting any applicable charges, must be credited to the Fund. All claims against the Fund must be paid as other claims against the State are paid.
- 3. The money in the Fund may be used only to pay the costs of carrying out programs or laws administered by the Office.
- Sec. 16. A person who willfully discharges, demotes, suspends, threatens, harasses or discriminates against an employee, contractor or agent as a result of a lawful complaint of the employee, contractor or agent concerning any fraud, waste, abuse or corruption within any state agency or local government is guilty of a category C felony and shall be punished as provided in NRS 193.130.
 - **Sec. 17.** NRS 197.090 is hereby amended to read as follows:
- 197.090 1. Except under circumstances where a greater penalty is provided in *subsection 2 or* NRS 200.481, any person who, by means of any threat, force or violence, attempts to deter or prevent any executive or administrative officer from performing any duty imposed upon the officer by law, or who knowingly resists by force or violence any executive or administrative officer in the performance of the officer's duty, is guilty of a gross misdemeanor.





- 2. Any person who, by means of any threat, force or violence, attempts to deter or prevent the Inspector General appointed pursuant to section 6 of this act, or an employee of the Nevada Office of the Inspector General, from performing any duty imposed by law upon the Inspector General or the Office, or who knowingly resists by force or violence the Inspector General or an employee of the Office in the performance of his or her duty, is guilty of a category E felony.
 - 3. As used in this section:

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- (a) "Inspector General" means the Inspector appointed pursuant to section 6 of this act.
- (b) "Nevada Office of the Inspector General" or "Office" means the Nevada Office of the Inspector General created by 6 of this act.
 - **Sec. 18.** NRS 200.481 is hereby amended to read as follows: 200.481 1. As used in this section:
- (a) "Battery" means any willful and unlawful use of force or violence upon the person of another.
 - (b) "Child" means a person less than 18 years of age.
 - (c) "Officer" means:
- (1) A person who possesses some or all of the powers of a peace officer;
- (2) A person employed in a full-time salaried occupation of fire fighting for the benefit or safety of the public;
 - (3) A member of a volunteer fire department:
- (4) A jailer, guard, matron or other correctional officer of a city or county jail or detention facility;
- (5) The Inspector General appointed pursuant to section 6 of this act or an employee of the Nevada Office of the Inspector General created by section 6 of this act.
- (6) A justice of the Supreme Court, judge of the Court of Appeals, district judge, justice of the peace, municipal judge, magistrate, court commissioner, master or referee, including, without limitation, a person acting pro tempore in a capacity listed in this subparagraph; or
- (6) (7) An employee of the State or a political subdivision 36 37 of the State whose official duties require the employee to make 38 home visits.
 - (d) "Provider of health care" has the meaning ascribed to it in NRS 200.471.
 - (e) "School employee" means a licensed or unlicensed person employed by a board of trustees of a school district pursuant to NRS 391.100 or 391.281.
- 44 (f) "Sporting event" has the meaning ascribed to it in NRS 41.630.





- (g) "Sports official" has the meaning ascribed to it in NRS 41.630.
- (h) "Strangulation" means intentionally impeding the normal breathing or circulation of the blood by applying pressure on the throat or neck or by blocking the nose or mouth of another person in a manner that creates a risk of death or substantial bodily harm.
 - (i) "Taxicab" has the meaning ascribed to it in NRS 706.8816.
 - (j) "Taxicab driver" means a person who operates a taxicab.
- (k) "Transit operator" means a person who operates a bus or other vehicle as part of a public mass transportation system.
- 2. Except as otherwise provided in NRS 200.485, a person convicted of a battery, other than a battery committed by an adult upon a child which constitutes child abuse, shall be punished:
- (a) If the battery is not committed with a deadly weapon, and no substantial bodily harm to the victim results, except under circumstances where a greater penalty is provided in this section or NRS 197.090, for a misdemeanor.
- (b) If the battery is not committed with a deadly weapon, and either substantial bodily harm to the victim results or the battery is committed by strangulation, for a category C felony as provided in NRS 193.130.
 - (c) If:

- (1) The battery is committed upon an officer, provider of health care, school employee, taxicab driver or transit operator who was performing his or her duty or upon a sports official based on the performance of his or her duties at a sporting event;
- (2) The officer, provider of health care, school employee, taxicab driver, transit operator or sports official suffers substantial bodily harm or the battery is committed by strangulation; and
- (3) The person charged knew or should have known that the victim was an officer, provider of health care, school employee, taxicab driver, transit operator or sports official,
- for a category B felony by imprisonment in the state prison for a minimum term of not less than 2 years and a maximum term of not more than 10 years, or by a fine of not more than \$10,000, or by both fine and imprisonment.
- (d) If the battery is committed upon an officer, provider of health care, school employee, taxicab driver or transit operator who is performing his or her duty or upon a sports official based on the performance of his or her duties at a sporting event and the person charged knew or should have known that the victim was an officer, provider of health care, school employee, taxicab driver, transit operator or sports official, for a gross misdemeanor, except under circumstances where a greater penalty is provided in this section.





- (e) If the battery is committed with the use of a deadly weapon, and:
- (1) No substantial bodily harm to the victim results, for a category B felony by imprisonment in the state prison for a minimum term of not less than 2 years and a maximum term of not more than 10 years, and may be further punished by a fine of not more than \$10,000.
- (2) Substantial bodily harm to the victim results or the battery is committed by strangulation, for a category B felony by imprisonment in the state prison for a minimum term of not less than 2 years and a maximum term of not more than 15 years, and may be further punished by a fine of not more than \$10,000.
- (f) If the battery is committed by a probationer, a prisoner who is in lawful custody or confinement or a parolee, without the use of a deadly weapon, whether or not substantial bodily harm results and whether or not the battery is committed by strangulation, for a category B felony by imprisonment in the state prison for a minimum term of not less than 1 year and a maximum term of not more than 6 years.
- (g) If the battery is committed by a probationer, a prisoner who is in lawful custody or confinement or a parolee, with the use of a deadly weapon, and:
- (1) No substantial bodily harm to the victim results, for a category B felony by imprisonment in the state prison for a minimum term of not less than 2 years and a maximum term of not more than 10 years.
- (2) Substantial bodily harm to the victim results or the battery is committed by strangulation, for a category B felony by imprisonment in the state prison for a minimum term of not less than 2 years and a maximum term of not more than 15 years.
 - **Sec. 19.** NRS 239.010 is hereby amended to read as follows:
- 32 239.010 1. Except as otherwise provided in this section and 33 NRS 1.4683, 1.4687, 1A.110, 41.071, 49.095, 62D.420, 62D.440, 62E.516, 62E.620, 62H.025, 62H.030, 62H.170, 62H.220, 62H.320, 34 75A.100, 75A.150, 76.160, 78.152, 80.113, 81.850, 82.183, 86.246, 35 86.54615, 87.515, 87.5413, 87A.200, 87A.580, 87A.640, 88.3355, 36 88.5927, 88.6067, 88A.345, 88A.7345, 89.045, 89.251, 90.730, 37 91.160, 116.757, 116A.270, 116B.880, 118B.026, 119.260, 38 119.265, 119.267, 119.280, 119A.280, 119A.653, 119B.370, 39 120A.690, 125.130, 125B.140, 126.141, 126.161, 40
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1 671.170, 673.430, 675.380, 676A.340, 676A.370, 677.243, 679B.122, 679B.152, 679B.159, 679B.190, 679B.285, 679B.690, 2 3 680A.270, 681A.440, 681B.260, 681B.410, 681B.540, 683A.0873, 685A.077, 686A.289, 686B.170, 686C.306, 687A.110, 687A.115, 4 687C.010, 688C.230, 688C.480, 688C.490, 692A.117, 692C.190, 5 6 692C.3536, 692C.3538, 692C.354, 692C.420, 693A.480, 693A.615, 696B.550, 703.196, 704B.320, 704B.325, 706.1725, 706A.230, 7 710.159, 711.600, and sections 10 and 13 of this act, sections 35, 8 38 and 41 of chapter 478, Statutes of Nevada 2011 and section 2 of 10 chapter 391. Statutes of Nevada 2013 and unless otherwise declared by law to be confidential, all public books and public records of a 11 12 governmental entity must be open at all times during office hours to 13 inspection by any person, and may be fully copied or an abstract or 14 memorandum may be prepared from those public books and public 15 records. Any such copies, abstracts or memoranda may be used to 16 supply the general public with copies, abstracts or memoranda of the 17 records or may be used in any other way to the advantage of the 18 governmental entity or of the general public. This section does not supersede or in any manner affect the federal laws governing 19 copyrights or enlarge, diminish or affect in any other manner the 20 21 rights of a person in any written book or record which is 22 copyrighted pursuant to federal law. 23

A governmental entity may not reject a book or record

which is copyrighted solely because it is copyrighted.

A governmental entity that has legal custody or control of a public book or record shall not deny a request made pursuant to subsection 1 to inspect or copy or receive a copy of a public book or record on the basis that the requested public book or record contains information that is confidential if the governmental entity can redact, delete, conceal or separate the confidential information from the information included in the public book or record that is not otherwise confidential.

- 4. A person may request a copy of a public record in any medium in which the public record is readily available. An officer, employee or agent of a governmental entity who has legal custody or control of a public record:
- (a) Shall not refuse to provide a copy of that public record in a readily available medium because the officer, employee or agent has already prepared or would prefer to provide the copy in a different medium.
- (b) Except as otherwise provided in NRS 239.030, shall, upon request, prepare the copy of the public record and shall not require the person who has requested the copy to prepare the copy himself or herself.



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- Sec. 20. NRS 289.470 is hereby amended to read as follows: 289.470 "Category II peace officer" means:
- 1. The bailiffs of the district courts, justice courts and municipal courts whose duties require them to carry weapons and make arrests:
- Subject to the provisions of NRS 258.070, constables and their deputies:
- 3. Inspectors employed by the Nevada Transportation Authority who exercise those powers of enforcement conferred by chapters 706 and 712 of NRS;
- Special investigators who are employed full-time by the office of any district attorney or the Attorney General;
- Investigators of arson for fire departments who are specially designated by the appointing authority;
- The brand inspectors of the State Department of Agriculture who exercise the powers of enforcement conferred by chapter 565 of NRS:
- 7. The field agents and inspectors of the State Department of Agriculture who exercise the powers of enforcement conferred by NRS 561.225;
- 8. Investigators for the State Forester Firewarden who are specially designated by the State Forester Firewarden and whose primary duties are related to the investigation of arson;
- 9. School police officers employed by the board of trustees of any county school district:
- 10. Agents of the Nevada Gaming Control Board who exercise the powers of enforcement specified in NRS 289.360, 463.140 or 463.1405, except those agents whose duties relate primarily to auditing, accounting, the collection of taxes or license fees, or the investigation of applicants for licenses;
- 31 Investigators and administrators of the Division of 32 Compliance Enforcement of the Department of Motor Vehicles who perform the duties specified in subsection 2 of NRS 481.048; 33
 - Officers and investigators of the Section for the Control of Emissions From Vehicles and the Enforcement of Matters Related to the Use of Special Fuel of the Department of Motor Vehicles who perform the duties specified in subsection 3 of NRS 481.0481;
 - Legislative police officers of the State of Nevada; 13.
 - Parole counselors of the Division of Child and Family Services of the Department of Health and Human Services;
- 15. Juvenile probation officers and deputy juvenile probation officers employed by the various judicial districts in the State of 42 Nevada or by a department of juvenile justice services established 43 44 by ordinance pursuant to NRS 62G.210 whose official duties require them to enforce court orders on juvenile offenders and make arrests;



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- 16. Field investigators of the Taxicab Authority;
- 2 17. Security officers employed full-time by a city or county 3 whose official duties require them to carry weapons and make 4 arrests;
 - 18. The chief of a department of alternative sentencing created pursuant to NRS 211A.080 and the assistant alternative sentencing officers employed by that department;
 - 19. Criminal investigators who are employed by the Secretary of State; [and]
 - 20. The Inspector General of the Department of Corrections and any person employed by the Department as a criminal investigator : ; and
 - 21. The Inspector General appointed pursuant to section 6 of this act and any person employed as an investigator by the Nevada Office of the Inspector General created by section 6 of this act.
 - **Sec. 21.** NRS 353A.010 is hereby amended to read as follows: 353A.010 As used in this chapter, unless the context otherwise requires:
- 19 1. "Agency" means every agency, department, division, board, 20 commission or similar body, or elected officer, of the Executive 21 Branch of the State.
 - 2. "Committee" means the Executive Branch Audit Committee created pursuant to NRS 353A.038.
 - 3. "Director" means the Director of the Office of Finance.
 - 4. "Inspector General" means the Inspector General appointed by the Governor pursuant to section 6 of this act.
 - 5. "Internal accounting and administrative control" means a method through which agencies can safeguard assets, check the accuracy and reliability of their accounting information, promote efficient operations and encourage adherence to prescribed managerial policies.
 - Sec. 22. NRS 353A.025 is hereby amended to read as follows:
 - 353A.025 1. The head of each agency shall periodically review the agency's system of internal accounting and administrative control to determine whether it is in compliance with the uniform system of internal accounting and administrative control for agencies adopted pursuant to subsection 1 of NRS 353A.020.
 - 2. On or before July 1 of each even-numbered year, the head of each agency shall report to the Director whether the agency's system of internal accounting and administrative control is in compliance with the uniform system adopted pursuant to subsection 1 of NRS 353A.020. The reports must be made available for inspection by the members of the Legislature.
 - 3. For the purposes of this section, "agency" does not include:





- (a) A board created by the provisions of NRS 590.485 and chapters 623 to 625A, inclusive, 628, 630 to 644, inclusive, 648, 654 and 656 of NRS.
 - (b) The Nevada System of Higher Education.
 - (c) The Public Employees' Retirement System.
- (d) The Housing Division of the Department of Business and Industry.
 - (e) The Colorado River Commission of Nevada.
- 4. The Director shall, on or before the first Monday in February of each odd-numbered year, submit a report on the status of internal accounting and administrative controls in agencies to the:
- (a) Director of the Legislative Counsel Bureau for transmittal to the:
 - (1) Senate Standing Committee on Finance; and
 - (2) Assembly Standing Committee on Ways and Means;
 - (b) Governor; [and]

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- (c) Inspector General; and
- (d) Legislative Auditor.
- The report submitted by the Director pursuant to subsection 4 must include, without limitation:
- (a) The identification of each agency that has not complied with the requirements of subsections 1 and 2;
- (b) The identification of each agency that does not have an effective method for reviewing its system of internal accounting and administrative control; and
- 26 (c) The identification of each agency that has weaknesses in its 27 system of internal accounting and administrative control, and the 28 extent and types of such weaknesses. 29
 - Sec. 23. 1. On or before December 1, 2017, the Governor shall appoint an Inspector General pursuant to section 6 of this act.
- The Administrator of the Division of Internal Audits of the 32 Office of Finance is the acting Inspector General until the Governor appoints the initial Inspector General pursuant to section 6 of this 33 34 act.
 - **Sec. 24.** The provisions of subsection 1 of NRS 218D.380 do not apply to any provision of this act which adds or revises a requirement to submit a report to the Legislature.
 - Sec. 25. NRS 353A.049 is hereby repealed.
 - This act becomes effective: Sec. 26.
 - Upon passage and approval for the purpose of adopting regulations, performing preparatory administrative tasks that are necessary to carry out the provisions of this act; and
 - On October 1, 2017, for all other purposes.





TEXT OF REPEALED SECTION

353A.049 Duties of Director.

- 1. The Director shall:
- (a) Establish a telephone number at which a person may confidentially report to the Division information relating to abuse, fraud or waste with respect to public money received and used by an agency or contractor; and
 - (b) Create a written notice that:

(1) Clearly identifies the telephone number established

pursuant to paragraph (a); and

- (2) Contains a statement directing any person with any information relating to abuse, fraud or waste with respect to public money received and used by an agency or contractor to report the information at the telephone number established pursuant to paragraph (a).
- 2. The written notice created pursuant to paragraph (b) of subsection 1 must be posted conspicuously:
 - (a) In each public building of an agency; and
 - (b) On the Internet website maintained by the Office of Finance.
- 3. Upon receipt of information from a person calling the telephone number established pursuant to paragraph (a) of subsection 1, the Division shall perform a review and prepare a report of its findings. The report is a public record and:
 - (a) Must include, without limitation, an explanation of:
 - (1) The purpose of the review; and
- (2) Any resolution or corrective action taken by the Division that resulted from the review.
- (b) Must not include the identity of the person who reported the information.
- 4. Except as otherwise provided in subsections 3 and 5, any information reported to the Division at the telephone number established pursuant to paragraph (a) of subsection 1, including, without limitation, the identity of the person who reported the information, is confidential.
- 5. The Division shall not disclose information that is confidential pursuant to subsection 4 except:
 - (a) Pursuant to NRS 239.0115;
- (b) For the purpose of carrying out any duty of the Division prescribed by NRS 353A.031 to 353A.100, inclusive, or for the





purpose of assisting the Director or Administrator in carrying out any duty of the Director or Administrator prescribed by this chapter;

- (c) Upon the lawful order of a court of competent jurisdiction; or
- (d) To the Office of the Attorney General or the office of a district attorney within this State for the purpose of investigating the alleged abuse, fraud or waste reported to the Division.
 - 6. As used in this section:
- (a) "Contractor" means any person, business, organization or nonprofit corporation that contracts with an agency to receive public money. The term includes a subcontractor or a third party who receives any portion of the public money from the contractor to carry out any obligation pursuant to a contract between the contractor and the agency.
- (b) "Public money" means any money deposited with a depository by the State Treasurer and includes money which is received by an agency from the Federal Government for distribution and use in this State pursuant to a federal law or federal regulation.





