

# **WEST VIRGINIA LEGISLATURE**

## **2026 REGULAR SESSION**

**Committee Substitute**

**for**

**House Bill 4622**

By Delegate Burkhammer

[Originating in the Committee on Health and Human  
Resources; Reported on January 27, 2026]

1 A BILL amend and reenact §5F-2-1, §16B-2-1 and §16B-2-4 of the code of West Virginia, 1931, as  
2 amended; and to repeal §5F-2-1a, relating to the Office of the Inspector General;  
3 reorganizing certain state agencies; removing the requirement that the Department of  
4 Health provide administrative support; clarifying that the Inspector General has the power  
5 to conduct audits; requiring reporting; requiring notification to law-enforcement; exempting  
6 the office from civil service; and exempting the office from purchasing.

*Be it enacted by the Legislature of West Virginia:*

**CHAPTER 5F. REORGANIZATION OF THE EXECUTIVE BRANCH OF  
STATE GOVERNMENT.**

**ARTICLE 2. TRANSFER OF AGENCIES AND BOARDS.**

**§5F-2-1. Transfer and incorporation of agencies and boards; funds.**

1 (a) The following agencies and boards, including all of the allied, advisory, affiliated, or  
2 related entities and funds associated with any agency or board, are incorporated in and  
3 administered as a part of the Department of Administration:  
4 (1) Public Employees Insurance Agency provided in §5-16-1 *et seq.* of this code;  
5 (2) Governor's Mansion Advisory Committee provided in §5A-5-1 *et seq.* of this code;  
6 (3) Commission on Uniform State Laws provided in §29-1A-1 *et seq.* of this code;  
7 (4) West Virginia Public Employees Grievance Board provided in §6C-3-1 *et seq.* of this  
8 code;  
9 (5) Board of Risk and Insurance Management provided in §29-12-1 *et seq.* of this code;  
10 (6) Boundary Commission provided in §29-23-1 *et seq.* of this code;  
11 (7) Public Defender Services provided in §29-21-1 *et seq.* of this code;  
12 (8) Division of Personnel provided in §29-6-1 *et seq.* of this code;  
13 (9) West Virginia Ethics Commission provided in §6B-2-1 *et seq.* of this code;  
14 (10) Consolidated Public Retirement Board provided in §5-10D-1 *et seq.* of this code; and

(11) Real Estate Division provided in §5A-10-1 *et seq.* of this code.

(b) The following agencies and boards, including all of the allied, advisory, affiliated, or related entities and funds associated with any agency or board, are incorporated in and administered as a part of the Department of Commerce:

(1) Division of Labor provided in §21-1-1 *et seq.* of this code, which includes the Board of

20 Manufactured Housing Construction and Safety provided in §21-9-1 et seq. of this code.

21 (2) Office of Miners' Health, Safety, and Training provided in §22A-1-1 *et seq.* of this code.  
22 The Board of Coal Mine Health and Safety and the Coal Mine Safety and Technical Review  
23 Committee provided in §22A-6-1 *et seq.* of this code are transferred to the Office of Miners' Health,  
24 Safety, and Training for purposes of administrative support and liaison with the Office of the  
25 Governor.

26 (3) Division of Natural Resources and Natural Resources Commission provided in §20-1-1  
27 *et seq.* of this code:

(4) Division of Forestry provided in §19-1A-1 *et seq.* of this code;

29 (5) Geological and Economic Survey provided in §29-2-1 *et seq.* of this code;

30 (6) Workforce West Virginia provided in chapter 21A of this code, which includes:

#### (A) Division of Unemployment Compensation:

32 (B) Division of Employment Service;

(C) Division of Workforce Development;

34 (D) Division of Research, Information and

(7) Division of Rehabilitation Services provided in §

36 (8) Division of Economic Development provided in §5B-2-1 *et seq.* of this code, which

37 includes:

37 includes.

(A) Office of Broadband provided for in 31G-1A-1 *et seq.*;

39 (B) Small Business Development Center provided for in §12-1A-1 *et seq.*; and

40 (C) The Office of Energy provided for in §5B-2F-2 of this code.

41 (c) The Economic Development Authority provided in §31-15-1 *et seq.* of this code is  
42 continued as an independent agency within the executive branch.

43 (d) The Water Development Authority and the Water Development Authority Board  
44 provided in §22C-1-1 *et seq.* of this code is continued as an independent agency within the  
45 executive branch.

46 (e) The West Virginia Educational Broadcasting Commission provided in §10-5-1 *et seq.* of  
47 this code is continued as a separate agency within the Department of Tourism, which shall provide  
48 administrative support for the authority.

49 (f) The following agencies and boards, including all of the allied, advisory, and affiliated  
50 entities, are transferred to the Department of Environmental Protection for purposes of  
51 administrative support and liaison with the Office of the Governor:

52 (1) Air Quality Board provided in §22B-2-1 *et seq.* of this code;

53 (2) Solid Waste Management Board provided in §22C-3-1 *et seq.* of this code;

54 (3) Environmental Quality Board, or its successor board, provided in §22B-3-1 *et seq.* of  
55 this code;

56 (4) Surface Mine Board provided in §22B-4-1 *et seq.* of this code;

57 (5) Shallow Gas Well Review Board provided in §22C-8-1 *et seq.* of this code; and

58 (6) Oil and Gas Conservation Commission provided in §22C-9-1 *et seq.* of this code.

59 (g) Subject to the provisions of §5F-2-1a of this code, the following agencies and boards,  
60 including all of the allied, advisory, affiliated, or related entities and funds associated with any  
61 agency or board, are incorporated in and administered as a part of the Department of Health:

62 (1) Human Rights Commission provided in §5-11-1 *et seq.* of this code;

63 (2) Bureau for Public Health provided in §16-1-1 *et seq.* of this code;

64 (3) Office of Emergency Medical Services and the Emergency Medical Service Advisory  
65 Council provided in §16.4C-1 *et seq.* of this code;

66 (4) Health Care Authority provided in §16-29B-1 *et seq.* of this code;

67       (5) The Developmental Disabilities Council established by Executive Order No. 6-88 and  
68   continued by Executive Order No. 15-99.

69       (h) Subject to the provisions of §5F-2-1a of this code, the following agencies and boards,  
70   including all of the allied, advisory, affiliated, or related entities and funds associated with any  
71   agency or board, are incorporated in, and administered as a part of, the Department of Human  
72   Services:

73       (1) Women's Commission provided in §29-20-1 *et seq.* of this code; and

74       (2) Bureau for Child Support Enforcement provided in §48-1-1 *et seq.* of this code

75       The following agencies and boards, including all of the allied, advisory, affiliated, or related  
76   entities and funds associated with any agency or board, are transferred to, incorporated in and  
77   administered as a part of the Department of Human Services:

78       (1) Bureau for Social Services;

79       (2) Bureau for Medical Services;

80       (3) Bureau for Child Support Enforcement;

81       (4) Bureau for Family Assistance;

82       (5) Bureau for Behavioral Health;

83       (6) Office of Shared Administration; and

84       (7) Any other agency or entity hereinafter established within the Department of Human  
85   Services by an act of the Legislature.

86       (h) The following agencies and boards, including all of the allied, advisory, affiliated, or  
87   related entities and funds associated with any agency or board, are transferred to, incorporated in  
88   and administered as a part of the Department of Health:

89       (1) Bureau for Public Health;

90       (2) Office of Emergency Medical Services;

91       (3) Office of the Chief Medical Examiner;

92       (4) Center for Threat Preparedness;

93        (5) Health Care Authority;

94        (6) Office of Health Facility Licensure and Certification;

95        (7) Office of Shared Administration; and

96        (8) Any other agency or entity hereinafter established within the Department of Health by

97        an act of the Legislature.

98        (i) The following state facilities, including all of the allied, advisory, affiliated, or related

99        entities and funds associated with any state facility, are transferred to, incorporated in and

100        administered as a part of the Department of Health Facilities:

101        (1) Mildred Mitchell-Bateman Hospital;

102        (2) Welch Community Hospital;

103        (3) William R. Sharpe Jr. Hospital;

104        (4) Office of Shared Administration; and

105        (5) Any other agency or entity hereinafter established within the Department of Health

106        Facilities by an act of the Legislature.

107        (j) The following agencies and boards, including all of the allied, advisory, affiliated, or

108        related entities and funds associated with any agency or board, are transferred to, incorporated in

109        and administered as a part of the Office of the Inspector General. The Office of the Inspector

110        General, shall include:

111        (1) Board of Review;

112        (2) Foster Care Ombudsman;

113        (3) Olmstead Office;

114        (4) Investigations and Fraud Management;

115        (5) Quality Control;

116        (6) Mental Health Ombudsman;

117        (7) WV Clearance for Access: Registry and Employment Screening; and

118        (8) Human Rights Commission.

119           (i) (k) The following agencies and boards, including all of the allied, advisory, affiliated, or  
120 related entities and funds associated with any agency or board, are incorporated in and  
121 administered as a part of the Department of Homeland Security:

122           (1) West Virginia State Police;

123           (2) Division of Emergency Management provided in §15-5-1 *et seq.* of this code and  
124 Emergency Response Commission provided in §15-5A-1 *et seq.* of this code: *Provided*, That  
125 notwithstanding any other provision of this code to the contrary, whenever in this code, or a rule  
126 promulgated thereunder, a reference is made to the Division of Homeland Security and  
127 Emergency Management, it shall be construed to mean the Division of Emergency Management;

128           (3) Division of Administrative Services;

129           (4) Division of Corrections and Rehabilitation;

130           (5) Fire Commission;

131           (6) State Fire Marshal;

132           (7) Board of Probation and Parole;

133           (8) The West Virginia Fusion Center;

134           (9) Division of Protective Services; and

135           (10) Any other agency or entity hereinafter established within the Department of Homeland  
136 Security by an act of the Legislature.

137           (ii) (l) The following agencies and boards, including all of the allied, advisory, affiliated, or  
138 related entities and funds associated with any agency or board, are incorporated in and  
139 administered as a part of the Department of Revenue:

140           (1) Tax Division provided in §11-1-1 *et seq.* of this code;

141           (2) Racing Commission provided in §19-23-1 *et seq.* of this code;

142           (3) Lottery Commission and position of Lottery Director provided in §29-22-1 *et seq.* of this  
143 code;

144           (4) Insurance Commissioner provided in §33-2-1 *et seq.* of this code;

145 (5) West Virginia Alcohol Beverage Control Commissioner provided in §11-16-1 *et seq.* of  
146 this code and §60-2-1 *et seq.* of this code;

147 (6) Board of Banking and Financial Institutions provided in §31A-3-1 *et seq.* of this code;

148 (7) Lending and Credit Rate Board provided in §47A-1-1 *et seq.* of this code;

149 (8) Division of Financial Institutions provided in §31A-2-1 *et seq.* of this code;

150 (9) The State Budget Office provided in §11B-2-1 *et seq.* of this code;

151 (10) The Municipal Bond Commission provided in §13-3-1 *et seq.* of this code;

152 (11) The Office of Tax Appeals provided in §11-10A-1 *et seq.* of this code; and

153 (12) The State Athletic Commission provided in §29-5A-1 *et seq.* of this code.

154 (k) (m) The following agencies and boards, including all of the allied, advisory, affiliated, or  
155 related entities and funds associated with any agency or board, are incorporated in and  
156 administered as a part of the Department of Transportation:

157 (1) Division of Highways provided in §17-2A-1 *et seq.* of this code;

158 (2) Parkways Authority provided in §17-16A-1 *et seq.* of this code;

159 (3) Division of Motor Vehicles provided in §17A-2-1 *et seq.* of this code;

160 (4) Driver's Licensing Advisory Board provided in §17B-2-1 *et seq.* of this code; and

161 (5) Division of Multimodal Transportation Facilities provided in §17-16F-1 *et seq.* of this  
162 code.

163           ④ (n) Effective July 1, 2011, the Veterans' Council provided in §9A-1-1 *et seq.* of this code,  
164 including all of the allied, advisory, affiliated, or related entities and funds associated with it, is  
165 incorporated in and administered as a part of the Department of Veterans' Assistance.

166 (m) (o) Except for powers, authority, and duties that have been delegated to the secretaries  
167 of the departments by §5F-2-2 of this code, the position of administrator and the powers, authority,  
168 and duties of each administrator and agency are not affected by the enactment of this chapter.

169 (n) (p) Except for powers, authority, and duties that have been delegated to the secretaries  
170 of the departments by §5E-2-2 of this code, the existence, powers, authority, and duties of boards

171 and the membership, terms, and qualifications of members of the boards are not affected by the  
172 enactment of this chapter. All boards that are appellate bodies or are independent decision makers  
173 may not have their appellate or independent decision-making status affected by the enactment of  
174 this chapter.

175 (e) (q) Any department previously transferred to and incorporated in a department by prior  
176 enactment of this section means a division of the appropriate department. Wherever reference is  
177 made to any department transferred to and incorporated in a department created in §5F-1-2 of this  
178 code, the reference means a division of the appropriate department and any reference to a  
179 division of a department so transferred and incorporated means a section of the appropriate  
180 division of the department.

181 (p) (r) When an agency, board, or commission is transferred under a bureau or agency  
182 other than a department headed by a secretary pursuant to this section, that transfer is solely for  
183 purposes of administrative support and liaison with the Office of the Governor, a department  
184 secretary, or a bureau. Nothing in this section extends the powers of department secretaries under  
185 §5F-2-2 of this code to any person other than a department secretary and nothing limits or  
186 abridges the statutory powers and duties of statutory commissioners or officers pursuant to this  
187 code.

188 (q) (s) The Department of Economic Development as established in §5B-2-1 *et seq.* of this  
189 code is continued as a division of the Department of Commerce.

190 (r) (t) The Department of Tourism as established in §5B-2I-1 *et seq.* of this code is  
191 continued as a separate independent agency within the Executive Branch, which includes the  
192 following sections and commissions listed under §29-1-1 of this code:

- 193 (1) The Arts Section;
- 194 (2) The Archives and History Section;
- 195 (3) The Museums Section;
- 196 (4) The Historic Preservation Section;

197 (5) The State Library Section;

198 (6) The National Coal Heritage Area Commission;

199 (7) The Administrative Section;

200 (8) The Educational Broadcasting Commission;

201 (9) A Commission on the Arts;

202 (10) A Commission on Archives and History;

203 (11) A Library Commission; and

204 (12) An Educational Broadcasting Council.

**§5F-2-1a. Termination of the department of health and human resources; transfer and incorporation of agencies and boards legislative intent; creation of new departments.**

[Repealed.]

## **CHAPTER 16B. INSPECTOR GENERAL.**

### **ARTICLE 2. OFFICE OF THE INSPECTOR GENERAL, DUTIES, AND POWERS.**

**§16B-2-1. Office of the Inspector General continued; appointment and qualifications of Director of Office of Health Facility Licensure and Certification and the Director of Investigations and Fraud Management Units.**

1 (a) The Office of the Inspector General is continued as a separate and autonomous agency

2 ~~department, within the Department of Health. The Department of Health shall provide~~

3 ~~administrative support, at the request of the Office of Inspector General. Shared services shall be~~

4 ~~provided at the request of the Office of the Inspector General when the same cannot be~~

5 ~~accomplished with current staffing within the Office of the Inspector General. The Office of~~

6 ~~Inspector General shall be headed by the Inspector General and is comprised of the offices as~~

7 ~~provided in §5F-2-1a §5F-2-1 of this code. Any administrative supports or shared services~~

8 ~~provided or received by the Office of the Inspector General are not subject to review by the~~

9        ~~Department of Health, the Department of Human Services, or the Department of Health Facilities.~~

10            (b) (1) The Inspector General shall be appointed by the Governor, within 90 days of a  
11        vacancy, subject to the advice and consent of the Senate.

12            (A) The term of the Inspector General is five years.

13            (B) At the end of a term, the Inspector General is eligible to be reappointed for one  
14        additional term. The Inspector General shall continue to serve until a successor is appointed.

15            (C) If a vacancy occurs in the office, an interim Inspector General may be appointed as  
16        successor to serve for the remainder of the unexpired term.

17            (2) The Inspector General may be removed by the Governor only for:

18            (A) Misconduct in office;

19            (B) Persistent failure to perform the duties of the Office; or

20            (C) Conduct prejudicial to the proper administration of justice.

21            (c) The Inspector General shall be professionally qualified through experience or  
22        education in at least two of the following areas:

23            (1) Law;

24            (2) Auditing;

25            (3) Government operations;

26            (4) Financial management; or

27            (5) Health policy.

28            (d) The Inspector General shall be paid an annual salary as provided in the budget.

29            (e) Funding for the office shall be as provided in the state budget.

30            (f) The Inspector General shall:

31            (1) Conduct and supervise investigations, perform inspections, evaluations, and review,  
32        and provide quality control for the programs of the Department of Human Services, the  
33        Department of Health, and the Department of Health Facilities to promote legal, regulatory,  
34        programmatic, and fiscal compliance.

35 (2) Investigate fraud, waste, and abuse of the Department of Human Services, the  
36 Department of Health, and the Department of Health Facilities' funds, and conduct, whether by  
37 acts or omissions in the Department of Human Services, the Department of Health, and the  
38 Department of Health Facilities, that threatens or has the reasonable likelihood to threaten public  
39 safety or demonstrates negligence, incompetence, or malfeasance, including but not limited to  
40 performance of the following:

41                   (A) Conducting performance audits, financial audits, evaluations, and attestations  
42                   engagements of the Department of Human Services, the Department of Health, and the  
43                   Department of Health Facilities and their independent contractors to:

44 (i) Determine whether acts of fraud, waste, abuse, or corruption have been committed or  
45 are being committed by the Department of Human Services, the Department of Health, and the  
46 Department of Health Facilities state officers, employees, or their independent contractors  
47 including any allegations of criminal acts affecting the operations of state agencies. However, no  
48 investigation of an elected official of the state of West Virginia shall occur, be initiated, undertaken,  
49 or continued except upon the request of the Governor or a grand jury;

50 (ii) Determine whether the Department of Human Services, the Department of Health, and  
51 the Department of Health Facilities' programs are efficient, effective, offered in compliance with  
52 the laws and regulations, and obtain success in achieving program objectives; and

53                   (iii) Determine whether the Department of Human Services, the Department of Health, and  
54                   the Department of Health Facilities' has presented their financial statements fairly in accordance  
55                   with generally accepted accounting principles, has an internal control structure that provides  
56                   reasonable assurance of achieving the control objectives; and has complied with laws and  
57                   regulations that could have a direct impact and material effect on its financial statements, the  
58                   Federal Financial Management Improvement Act and other such laws and regulations.

59 (B) Preparing a detailed report of each investigation shall be prepared and submitted  
60 beginning on July 1, 2027, and each year thereafter to the Legislative Oversight Commission on

61     Health and Human Resources Accountability.

62           (C) The Department of Human Services, the Department of Health, and the Department of  
63     Health Facilities shall respond to each finding contained in the audit within 30 days of receipt of the  
64     audit.

65           (D) Providing timely notification to the appropriate prosecuting attorney and law-  
66     enforcement agencies whenever the Inspector General has reasonable grounds to believe there  
67     has been a violation of state criminal law;

68           (3) Cooperate with and coordinate investigative efforts with the Medicaid Fraud Control  
69     Unit within the Office of the Attorney General, and where a preliminary investigation establishes a  
70     sufficient basis to warrant referral, shall refer such matters to the Medicaid Fraud Control Unit;

71           (4) Cooperate with and coordinate investigative efforts with departmental programs and  
72     other state and federal agencies to ensure a provider is not subject to duplicative audits; and

73           (5) Be empowered to consult with the Legislature for policy development;

74           (6) (A) Organize a board of review, consisting of a chairman appointed by the Inspector  
75     General and as many assistants or employees as may be determined by the Inspector General  
76     and as may be required by federal laws and rules respecting assistance; the board of review to  
77     have such powers of a review nature and such additional powers as may be granted to it by the  
78     Inspector General and as may be required by federal laws and rules respecting assistance;

79           (B) Provide by rules, review, and appeal procedures within the office as may be required by  
80     applicable federal laws and rules respecting assistance, and as will provide applicants for, and  
81     recipients of, all classes of assistance, an opportunity to be heard by the board of review, a  
82     member thereof, or individuals designated by the board, upon claims involving denial, reduction,  
83     closure, delay, or other action or inaction pertaining to public assistance;

84           (7) (A) May subpoena any person or evidence, administer oaths, take and certify affidavits,  
85     and take depositions and other testimony for the purpose of investigating fraud, waste, and abuse  
86     of Department of Health, Department of Human Services, or Department of Health Facilities'

87 funds, or behavior in the same departments that threaten public safety or demonstrate negligence,  
88 incompetence, or malfeasance;

89 (B) If a person fails to comply with a lawful order or subpoena issued under this subsection,  
90 on petition of the Inspector General or a designated Assistant Inspector General, a court of  
91 competent jurisdiction may compel:

92 (i) Compliance with the order or subpoena; or

93 (ii) Testimony or the production of evidence;

94 (C) Within 30 business days after receiving a complaint or allegation, the Inspector  
95 General shall respond to the individual who filed the complaint or allegation with:

96 (i) A preliminary indication of whether the Office of the Inspector General is able to  
97 investigate the complaint or allegation; and

98 (ii) If the Office of the Inspector General is unable to investigate the complaint or allegation  
99 because of a conflict of interest, the Office of the Inspector General shall refer the complaint or  
100 allegation to another unit of government or law enforcement.

101 (g) Neither the secretary nor any employee of the Department of Human Services,  
102 Department of Health, or the Department of Health Facilities may prevent, inhibit, or prohibit or  
103 cause to be prevented, inhibited, or prohibited, the Inspector General or his or her employees from  
104 initiating, carrying out, or completing any investigation, inspection, evaluation, review, or other  
105 activity oversight of public integrity by the Office of the Inspector General. The Inspector General  
106 shall be provided office space at county offices free of charge.

107 (h) The Inspector General formulates, approves, and submits his or her budget to the  
108 Governor for consideration by the Governor.

109 (i) The Inspector General shall supervise all personnel of the Office of the Inspector  
110 General. ~~Qualification, compensation, and personnel practice relating to the employees of the~~  
111 ~~Office of the Inspector General, shall be governed by the classified service.~~

112 (j) Employ and discharge within the Office of the Inspector General employees, including

113 professional employees such as investigators and other professional personnel as may be  
114 necessary to carry out the functions of the Inspector General, which employees shall continue to  
115 be within the classified service provisions of §29-6-1 *et seq.* of this code and rules promulgated  
116 thereunder, except for the Inspector General.

117 (k) Cause the various sections of the Office of the Inspector General to be operated  
118 effectively, efficiently, and economically, and to develop goals, policies, and plans that are  
119 necessary or desirable for the effective, efficient, and economical operation of the Office of the  
120 Inspector General.

121 (l) Eliminate or consolidate positions and name a person to fill more than one position.

122 (m) Reorganize internal functions or operations.

123 (n) Enter into contracts or agreements requiring the expenditure of public funds and  
124 authorize the expenditure or obligation of public funds as authorized by law: *Provided*, That the  
125 powers granted to the Inspector General to enter into agreements and to make expenditures or  
126 obligations of public funds under this provision shall not exceed or be interpreted as authority to  
127 exceed the powers granted by the Legislature.

128 (o) Promulgate rules, as defined in §29A-1-2 of this code, to implement and make effective  
129 the powers, authority, and duties granted and imposed by the provisions of this chapter in  
130 accordance with the provisions of chapter 29A of this code. The Inspector General may  
131 promulgate emergency rules pursuant to §29A-3-15 of this code to effectuate the purposes of this  
132 section.

133 (p) Delegate to administrators the duties the Inspector General may deem appropriate,  
134 from time to time, to facilitate execution of the powers, authority, and duties delegated to the  
135 Inspector General.

136 (q) Transfer permanent state employees between units of the Inspector General.

137 (r) Enter into memorandums of understanding;

138 (s) Take any other action involving or relating to internal management not otherwise

139 prohibited by law;

140 (t) All legislative rules currently in effect impact the Office of the Inspector General or its  
141 programs will continue to remain in full force and effect.

142 (u) (1) The Director of Office of Health Facility Licensure and Certification shall be  
143 appointed by the Governor, within 90 days of a vacancy, subject to the advice and consent of the  
144 Senate;

145 (2) The Director of the Office of Health Facility Licensure and Certification shall have at  
146 least eight years' experience in the field of licensure and regulatory matters; and

147 (v)(1) The Director of Investigations and Fraud Management shall be appointed by the  
148 Governor, subject to advice and consent of the Senate.

149 (2) The Director of Investigations and Fraud Management shall have at least eight years'  
150 experience in the field of investigations and fraud matters.

151 (w) The Inspector General, the Director of The Office of Health Facility Licensure and  
152 Certification and the Director of the Investigations and Fraud Management may not be the same  
153 person.

154 (x) The provisions of §5A-3-1 or § 5A-3-3 do not apply to the Office of the Inspector  
155 General or its affiliated agencies.

156 (y) Notwithstanding any provision of this code or any rule to the contrary, beginning on July  
157 1, 2026, employees of the Office of the Inspector General or its affiliated agencies are exempt from  
158 the state grievance procedures as set forth in §6C-2-1 et seq. of this code and from the classified  
159 civil service system under §29-6-1 et seq. of this code except that:

160 (1) Employees the Office of the Inspector General or its affiliated agencies who are  
161 currently members of the classified civil service system shall retain their status as long as they  
162 remain in their current position; and

163        (2) Employees of the Office of the Inspector General or its affiliated agencies who currently  
164        have recourse to the state grievance procedures shall continue to have access to the state  
165        grievance procedures as long as they remain in their current position;

166        (3) An employee of the Office of the Inspector General or its affiliated agencies that leaves  
167        his or her position and remains a state employee shall, at that time, be transferred to the classified  
168        exempt service system as defined in §29-6-2(g) of this code and be exempted from the state  
169        grievance procedures as set forth in §6C-2-1 et seq. of this code; and

170        (4) The Inspector General may designate certain employees' status under the classified  
171        civil service system and grievance procedures as may be deemed necessary to comply with  
172        federal law, federal regulation, or the requirements for receipt of federal funding or assistance.

173        (5) The provisions of this subsection do not apply to any position appointed by the  
174        Governor.

175        (6) Nothing in this subsection shall exempt the Office of the Inspector General or its  
176        affiliated agencies from the provisions of this code prohibiting nepotism, favoritism, discrimination,  
177        or unethical practices related to the promotion, transfer, layoff, removal, discipline, and  
178        compensation of state employees.

**§16B-2-4. Authority of Investigations and Fraud Management Division to subpoena  
witnesses and documents.**

1        (a) When the Investigations and Fraud Management Unit of the Office of the Inspector  
2        General, which is charged with investigating welfare fraud, and intra-agency employee  
3        misconduct, conducting performance audits, financial audits, evaluations, and attestations  
4        engagements of the Department of Human Services, the Department of Health, and the  
5        Department of Health Facilities and their independent contractors has credible information that  
6        indicates a person has engaged in an act or activity related to the Department of Human Services,  
7        the Department of Health, or the Department of Health Facilities programs, benefits, or intra-  
8        agency employee misconduct which is subject to prosecution, it may conduct an investigation to

9 determine if the act has been committed. To the extent necessary to the investigation, the  
10 Inspector General or an employee of the Office of the Inspector General may administer oaths or  
11 affirmations and issue subpoenas for witnesses and documents relevant to the investigation,  
12 including information concerning the existence, description, nature, custody, condition, and  
13 location of any book, record, documents or other tangible thing, and the identity and location of  
14 persons having knowledge of relevant facts or any matter reasonably calculated to lead to the  
15 discovery of admissible evidence.

16 When the Investigations and Fraud Management Unit has probable cause to believe that a  
17 person has engaged in an act or activity which is subject to prosecution relating to the Department  
18 of Human Services, the Department of Health, or the Department of Health Facilities programs,  
19 benefits, or intra-agency employee misconduct, the Inspector General or an employee of the  
20 Office of the Inspector General may request search warrants and present and swear or affirm  
21 criminal complaints.

22 (b) If documents necessary to an investigation of the Investigations and Fraud  
23 Management Unit appear to be located outside the state, the documents shall be made available  
24 by the person or entity within the jurisdiction of the state having control over such documents either  
25 at a convenient location within the state or, upon payment of necessary expenses to the division  
26 for transportation and inspection, at the place outside the state where these documents are  
27 maintained.

28 (c) Upon failure of a person to comply with a subpoena or a subpoena for the production of  
29 evidence or failure of a person to give testimony without lawful excuse and upon reasonable notice  
30 to all persons affected thereby, the Investigations and Fraud Management Division may apply to  
31 the circuit court of the county in which compliance is sought for appropriate orders to compel  
32 obedience with the provisions of this section.

33 (d) The Investigations and Fraud Management Unit may not make public the name or  
34 identity of a person whose acts or conduct is investigated pursuant to this section or the facts

- 35 disclosed in an investigation except as the same may be used in any legal action or enforcement
- 36 proceeding brought pursuant to this code or federal law.

NOTE: The purpose of this bill is to remove the Office of the Inspector General from the Department of Health, where is it for administrative purposes, and to clarify that the Office of the Inspector General has the ability to conduct performance audits, financial audits, evaluations, and attestations engagements of the Department of Human Services, the Department of Health, and the Department of Health Facilities and their independent contractors.

Strike-throughs indicate language that would be stricken from a heading or the present law and underscoring indicates new language that would be added.