

ASSEMBLY, No. 5876

STATE OF NEW JERSEY

218th LEGISLATURE

INTRODUCED NOVEMBER 14, 2019

Sponsored by:

Assemblyman RYAN E. PETERS

District 8 (Atlantic, Burlington and Camden)

Co-Sponsored by:

Assemblyman Auth

SYNOPSIS

Establishes Office of Economic Development Inspector General in EDA.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 11/26/2019)

1 AN ACT establishing the Office of the Economic Development
2 Inspector General, and supplementing Title 34 of the Revised
3 Statutes.

4
5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:

7
8 1. As used in P.L. , c. (C.) (pending before the
9 Legislature as this bill):

10 "Authority" means the New Jersey Economic Development
11 Authority established pursuant to section 4 of P.L.1974, c.80
12 (C.34:1B-4).

13 "Board" means the board of the New Jersey Economic
14 Development Authority established pursuant to section 4 of
15 P.L.1974, c.80 (C.34:1B-4).

16 "Economic development incentive" means a financial incentive,
17 awarded by the authority to a person or entity, or agreed to between
18 the authority and a person or entity, for the purpose of stimulating
19 economic development or redevelopment in New Jersey, including,
20 but not limited to, a bond, grant, loan, loan guarantee, matching
21 fund, tax credit, tax deduction, tax abatement, or other tax
22 expenditure.

23 "Fraud" means an intentional deception or misrepresentation
24 made by any person with the knowledge that the deception could
25 result in some unauthorized benefit to that person or another person,
26 including any act that constitutes fraud under applicable federal or
27 State law.

28 "Investigation" means an investigation of fraud, abuse, or illegal
29 acts perpetrated within economic development incentive programs
30 by applicants for, or recipients of, economic development
31 incentives.

32 "Office" means the Office of the Economic Development
33 Inspector General created by section 2 P.L. , c. (C.)
34 (pending before the Legislature as this bill).

35
36 2. a. There is established, in the authority, the Office of the
37 Economic Development Inspector General, which shall operate
38 independent of the oversight or management of the Chief Executive
39 Officer of the authority. The Office of the Economic Development
40 Inspector General shall operate under the Economic Development
41 Inspector General, who shall be appointed by the Governor with the
42 advice and consent of the Senate. The term of the Economic
43 Development Inspector General shall extend from the time of
44 confirmation by the Senate, until the conclusion of the Governor's
45 term of office, provided that the Economic Development Inspector
46 General may be reappointed to one or more subsequent terms. The
47 Economic Development Inspector General shall have the following
48 general duties, powers, and responsibilities:

1 (1) to administer oaths and affirmations, and request or compel
2 the attendance of witnesses or the production of documents that the
3 Economic Development Inspector General determines relevant or
4 material to an investigation being conducted by the office;

5 (2) to examine, copy, or remove and maintain any documents or
6 records prepared, maintained, or under the possession of the
7 authority;

8 (3) to interview or request information or documents from any
9 executive officer, board member, officer, or employee of the
10 authority related to an individual's conduct of official duties,
11 provided that an interview or request conducted or made pursuant to
12 this paragraph shall be subject to the provisions of any collective
13 negotiations agreement applicable to the individual's employment
14 or service to the authority, or the provisions of the most recent
15 collective negotiations agreement applicable to the individual if the
16 collective negotiations agreement expired;

17 (4) to monitor the consideration and implementation of any
18 recommendations made to the authority, the authority's executive
19 officers, or the authority's board by the Economic Development
20 Inspector General or the office;

21 (5) to appoint such deputies, assistants, and other officers and
22 employees as may be needed for the Economic Development
23 Auditor, employed pursuant to section 2 of P.L. , c. (C.)
24 (pending before the Legislature as Assembly Bill No. of 2019) to
25 meet the auditor's responsibilities, and to prescribe their duties and
26 fix their compensation in accordance with State law and within the
27 amounts appropriated therefor; and

28 (6) to perform any other functions that are necessary or
29 appropriate in furtherance of the mission of the office.

30 b. The Economic Development Inspector General shall direct
31 the work of the office and the office shall have the following
32 general functions, duties, powers, and responsibilities:

33 (1) to receive reports of, and to investigate, authority activities
34 relating to State economic development incentive fraud, waste, or
35 abuse, including fraud, waste, or abuse by executive officers, board
36 members, officers, and employees of the authority;

37 (2) to inform the executive officers and the board of allegations
38 of fraud, waste, or abuse received by the office, and provide
39 information on the progress of investigations by the office, unless
40 the Economic Development Inspector General determines that
41 special circumstances related to the allegation or investigation merit
42 maintaining complete or partial confidentiality related to the
43 allegation or investigation;

44 (3) to recommend to the authority, the authority's executive
45 officers, or the authority's board, that the authority pursue
46 disciplinary or civil actions related to an investigation of fraud,
47 waste, or abuse conducted by the office;

1 (4) to recommend to the authority, the authority's executive
2 officers, or the authority's board, that the authority refer
3 information or files related to an investigation of fraud, waste, or
4 abuse conducted by the office to any appropriate governmental
5 agency with recommendation that the governmental agency take
6 subsequent actions related to the information or files; and

7 (5) to prepare, and make available to the public, written reports
8 of completed investigations as the Economic Development
9 Inspector General determines to be appropriate and as permitted by
10 law, provided that the Economic Development Inspector General
11 shall redact information that the Economic Development Inspector
12 General determines appropriate and prudent to maintain
13 confidentiality of subjects and economic development incentive
14 awards.

15
16 3. The Economic Development Inspector General shall report
17 annually to the Governor, to the Legislature, pursuant to section 2
18 of P.L.1991, c.164 (C.52:14-19.1), and to the Attorney General, the
19 activities of the office, as well any recommendations, if any, for
20 legislation to provide for the management of the State's economic
21 development incentive programs.

22
23 4. The Economic Development Inspector General, pursuant to
24 the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-
25 1 et seq.), shall adopt rules and regulations, in consultation with the
26 authority, the Department of Labor and Workforce Development
27 and the Department of the Treasury, concerning the administration
28 and enforcement of the office's duties pursuant to
29 P.L. , c. (C.) (pending before the Legislature as this bill) in
30 a manner that is most compatible ensuring against fraud, waste, and
31 abuse in the State's economic development incentive programs.

32
33 5. This act shall take effect immediately.

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35
36 STATEMENT

37
38 This bill establishes the Office of the Economic Development
39 Inspector General (office) in the New Jersey Economic
40 Development Authority (EDA), to operate independent of the
41 oversight or management of the Chief Executive Officer of the
42 EDA. The office is to operate under the Economic Development
43 Inspector General (inspector general), who is to be appointed by the
44 Governor for a term extending until the conclusion of the
45 Governor's term of office.

46 The inspector general is to have the following general duties,
47 powers, and responsibilities:

- 1 (1) to administer oaths and affirmations, and request or compel
- 2 the attendance of witnesses or the production of documents;
- 3 (2) to examine, copy, or remove and maintain any documents or
- 4 records prepared, maintained, or under the possession of the EDA;
- 5 (3) to interview or request information or documents from any
- 6 executive officer, board member, officer, or employee of the EDA
- 7 related to an individual's conduct of official duties;
- 8 (4) to monitor the consideration and implementation of any
- 9 recommendations made to the EDA;
- 10 (5) to appoint deputies, assistants, and other officers and
- 11 employees; and
- 12 (6) to perform any other functions that are necessary or
- 13 appropriate in furtherance of the mission of the office.
- 14 The inspector general is also required to direct the work of the
- 15 office. The bill provides that the office is to have the following
- 16 general functions, duties, powers, and responsibilities:
- 17 (1) to receive reports of, and to investigate, authority activities
- 18 relating to State economic development incentive fraud, waste, or
- 19 abuse,;
- 20 (2) to inform EDA executive officers and the EDA board of
- 21 allegations of fraud, waste, or abuse received by the office, and
- 22 provide information on the progress of investigations by the office;
- 23 (3) to recommend to the EDA that the EDA pursue disciplinary
- 24 or civil actions related to an investigation of fraud, waste, or abuse
- 25 conducted by the office;
- 26 (4) to recommend to the EDA that the EDA refer information or
- 27 files related to an investigation of fraud, waste, or abuse conducted
- 28 by the office to any appropriate governmental agency with
- 29 recommendation that the governmental agency take subsequent
- 30 actions related to the information or files; and
- 31 (5) to prepare, and make available to the public, written reports
- 32 of completed investigations.
- 33 Under the bill, the inspector general is to report annually to the
- 34 Governor, to the Legislature, and to the Attorney General, the
- 35 activities of the office, as well any recommendations, if any, for
- 36 legislation to provide for the management of the State's economic
- 37 development incentive programs.