

SENATE, No. 167

STATE OF NEW JERSEY 219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Senator KRISTIN M. CORRADO

District 40 (Bergen, Essex, Morris and Passaic)

SYNOPSIS

Establishes various good governance requirements at certain bi-state authorities.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 AN ACT establishing various good governance requirements at
2 certain bi-state authorities, amending P.L.1986, c.105 and
3 P.L.1995, c.23, and supplementing Title 32 of the Revised
4 Statutes.

5

6 BE IT ENACTED by the Senate and General Assembly of the State
7 of New Jersey:

8

9 1. Section 2 of P.L.1986, c.105 (C.34:19-2) is amended to read
10 as follows:

11 2. As used in this act:

12 a. "Employer" means any individual, partnership, association,
13 corporation, or any person or group of persons acting directly or
14 indirectly on behalf of, or in the interest of, an employer with the
15 employer's consent and shall include all branches of State
16 Government, or the **several** counties and municipalities thereof,
17 or any other political subdivision of the State, or a school district, or
18 any special district, or any authority, commission, or board or any
19 other agency or instrumentality thereof.

20 b. "Employee" means any individual who performs services for
21 and under the control and direction of an employer for wages or
22 other remuneration.

23 c. "Public body" means:

24 (1) the United States Congress, and State legislature, or any
25 popularly-elected local governmental body, or any member or
26 employee thereof;

27 (2) any federal, State, or local judiciary, or any member or
28 employee thereof, or any grand or petit jury;

29 (3) any federal, State, or local regulatory, administrative, or
30 public agency or authority, or instrumentality thereof;

31 (4) any federal, State, or local law enforcement agency,
32 prosecutorial office, or police or peace officer;

33 (5) any federal, State or local department of an executive branch
34 of government; or

35 (6) any division, board, bureau, office, committee, or
36 commission of any of the public bodies described in the above
37 paragraphs of this subsection.

38 d. "Supervisor" means any individual with an employer's
39 organization who has the authority to direct and control the work
40 performance of the affected employee, who has authority to take
41 corrective action regarding the violation of the law, rule or
42 regulation of which the employee complains, or who has been
43 designated by the employer on the notice required under section 7
44 of **[this act]** P.L.1986, c.105 (C.34:19-7).

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 e. "Retaliatory action" means the discharge, suspension, or
2 demotion of an employee, or other adverse employment action
3 taken against an employee in the terms and conditions of
4 employment.

5 f. "Improper quality of patient care" means, with respect to
6 patient care, any practice, procedure, action or failure to act of an
7 employer that is a health care provider which violates any law or
8 any rule, regulation or declaratory ruling adopted pursuant to law,
9 or any professional code of ethics.

10 g. "Bi-state authority" means the Port Authority of New York
11 and New Jersey, the Delaware River Port Authority, the Delaware
12 River and Bay Authority, and the Delaware River Joint Toll Bridge
13 Commission.

14 (cf: P.L.1997, c.98, s.1)

15

16 2. Section 5 of P.L.1986, c.105 (C.34:19-5) is amended to read
17 as follows:

18 5. Upon a violation of any of the provisions of **[this act]**
19 P.L.1986, c.105 (C.34:19-1 et seq.), an aggrieved employee or
20 former employee may, within one year, institute a civil action in a
21 court of competent jurisdiction. Upon the application of any party, a
22 jury trial shall be directed to try the validity of any claim under
23 **[this act]** P.L.1986, c.105 (C.34:19-1 et seq.) specified in the suit.
24 All remedies available in common law tort actions shall be
25 available to prevailing plaintiffs. These remedies are in addition to
26 any legal or equitable relief provided by **[this act]** P.L.1986, c.105
27 (C.34:19-1 et seq.) or any other statute. The court shall also order,
28 where appropriate and to the fullest extent possible:

29 a. An injunction to restrain any violation of **[this act]**
30 P.L.1986, c.105 (C.34:19-1 et seq.) which is continuing at the time
31 that the court issues its order;

32 b. The reinstatement of the employee to the same position held
33 before the retaliatory action, or to an equivalent position;

34 c. The reinstatement of full fringe benefits and seniority rights
35 of the employee;

36 d. **[The compensation]** (1) Compensation to the employee for
37 all lost wages, benefits and other remuneration; or

38 (2) With respect to an employee or former employee of an
39 authority, compensation in twice the amount of all lost wages,
40 benefits, and other remuneration; and

41 e. The payment by the employer to the employee of reasonable
42 costs, and attorney's fees.

43 In addition, the court or jury may order: the assessment of a civil
44 fine of not more than \$10,000 for the first violation of **[the act]**
45 P.L.1986, c.105 (C.34:19-1 et seq.) and not more than \$20,000 for
46 each subsequent violation, which shall be paid to the State
47 Treasurer for deposit in the General Fund; with respect to an

1 authority, the assessment of a civil fine of not more than \$25,000
2 for the first violation of the P.L.1986, c.105 (C.34:19-1 et seq.) and
3 not more than \$50,000 for each subsequent violation, which shall be
4 paid to the State Treasurer for deposit in the General Fund; punitive
5 damages; or both a civil fine and punitive damages. In determining
6 the amount of punitive damages, the court or jury shall consider not
7 only the amount of compensatory damages awarded to the
8 employee, but also the amount of all damages caused to
9 shareholders, investors, clients, patients, customers, employees,
10 former employees, retirees or pensioners of the employer, or to the
11 public or any governmental entity, by the activities, policies,
12 practices of the employer which the employee disclosed, threatened
13 to disclose, provided testimony regarding, objected to, or refused to
14 participate in.

15 (cf: P.L.2005, c.329, s.2)

16
17 3. Section 1 of P.L.1995, c.23 (C.47:1A-1.1) is amended to
18 read as follows:

19 1. As used in P.L.1963, c.73 (C.47:1A-1 et seq.) as amended
20 and supplemented:

21 "Biotechnology" means any technique that uses living
22 organisms, or parts of living organisms, to make or modify
23 products, to improve plants or animals, or to develop micro-
24 organisms for specific uses; including the industrial use of
25 recombinant DNA, cell fusion, and novel bioprocessing techniques.

26 "Custodian of a government record" or "custodian" means in the
27 case of a municipality, the municipal clerk and in the case of any
28 other public agency, the officer officially designated by formal
29 action of that agency's director or governing body, as the case may
30 be.

31 "Government record" or "record" means any paper, written or
32 printed book, document, drawing, map, plan, photograph,
33 microfilm, data processed or image processed document,
34 information stored or maintained electronically or by sound-
35 recording or in a similar device, or any copy thereof, that has been
36 made, maintained or kept on file in the course of his or its official
37 business by any officer, commission, agency or authority of the
38 State or of any political subdivision thereof, including subordinate
39 boards thereof, or of the Port Authority of New York and New
40 Jersey, Delaware River Port Authority, Delaware River and Bay
41 Authority, or Delaware River Joint Toll Bridge Commission, or that
42 has been received in the course of his or its official business by any
43 such officer, commission, agency, or authority of the State or of any
44 political subdivision thereof, including subordinate boards thereof,
45 or of the Port Authority of New York and New Jersey, Delaware
46 River Port Authority, Delaware River and Bay Authority, or
47 Delaware River Joint Toll Bridge Commission. The terms shall not

1 include inter-agency or intra-agency advisory, consultative, or
2 deliberative material.

3 A government record shall not include the following information
4 which is deemed to be confidential for the purposes of P.L.1963,
5 c.73 (C.47:1A-1 et seq.) as amended and supplemented:

6 information received by a member of the Legislature from a
7 constituent or information held by a member of the Legislature
8 concerning a constituent, including but not limited to information in
9 written form or contained in any e-mail or computer data base, or in
10 any telephone record whatsoever, unless it is information the
11 constituent is required by law to transmit;

12 any memorandum, correspondence, notes, report or other
13 communication prepared by, or for, the specific use of a member of
14 the Legislature in the course of the member's official duties, except
15 that this provision shall not apply to an otherwise publicly-
16 accessible report which is required by law to be submitted to the
17 Legislature or its members;

18 any copy, reproduction or facsimile of any photograph, negative
19 or print, including instant photographs and videotapes of the body,
20 or any portion of the body, of a deceased person, taken by or for the
21 medical examiner at the scene of death or in the course of a post
22 mortem examination or autopsy made by or caused to be made by
23 the medical examiner except:

24 when used in a criminal action or proceeding in this State which
25 relates to the death of that person,

26 for the use as a court of this State permits, by order after good
27 cause has been shown and after written notification of the request
28 for the court order has been served at least five days before the
29 order is made upon the county prosecutor for the county in which
30 the post mortem examination or autopsy occurred,

31 for use in the field of forensic pathology or for use in medical or
32 scientific education or research, or

33 for use by any law enforcement agency in this State or any other
34 state or federal law enforcement agency;

35 criminal investigatory records;

36 victims' records, except that a victim of a crime shall have access
37 to the victim's own records;

38 any written request by a crime victim for a record to which the
39 victim is entitled to access as provided in this section, including,
40 but not limited to, any law enforcement agency report, domestic
41 violence offense report, and temporary or permanent restraining
42 order;

43 personal firearms records, except for use by any person
44 authorized by law to have access to these records or for use by any
45 government agency, including any court or law enforcement
46 agency, for purposes of the administration of justice;

47 personal identifying information received by the Division of Fish
48 and Wildlife in the Department of Environmental Protection in

1 connection with the issuance of any license authorizing hunting
2 with a firearm. For the purposes of this paragraph, personal
3 identifying information shall include, but not be limited to, identity,
4 name, address, social security number, telephone number, fax
5 number, driver's license number, email address, or social media
6 address of any applicant or licensee;

7 trade secrets and proprietary commercial or financial information
8 obtained from any source. For the purposes of this paragraph, trade
9 secrets shall include data processing software obtained by a public
10 body under a licensing agreement which prohibits its disclosure;

11 any record within the attorney-client privilege. This paragraph
12 shall not be construed as exempting from access attorney or
13 consultant bills or invoices except that such bills or invoices may be
14 redacted to remove any information protected by the attorney-client
15 privilege;

16 administrative or technical information regarding computer
17 hardware, software and networks which, if disclosed, would
18 jeopardize computer security;

19 emergency or security information or procedures for any
20 buildings or facility which, if disclosed, would jeopardize security
21 of the building or facility or persons therein;

22 security measures and surveillance techniques which, if
23 disclosed, would create a risk to the safety of persons, property,
24 electronic data or software;

25 information which, if disclosed, would give an advantage to
26 competitors or bidders;

27 information generated by or on behalf of public employers or
28 public employees in connection with any sexual harassment
29 complaint filed with a public employer or with any grievance filed
30 by or against an individual or in connection with collective
31 negotiations, including documents and statements of strategy or
32 negotiating position;

33 information which is a communication between a public agency
34 and its insurance carrier, administrative service organization or risk
35 management office;

36 information which is to be kept confidential pursuant to court
37 order;

38 any copy of form DD-214, or that form, issued by the United
39 States Government, or any other certificate of honorable discharge,
40 or copy thereof, from active service or the reserves of a branch of
41 the Armed Forces of the United States, or from service in the
42 organized militia of the State, that has been filed by an individual
43 with a public agency, except that a veteran or the veteran's spouse
44 or surviving spouse shall have access to the veteran's own records;

45 any copy of an oath of allegiance, oath of office or any
46 affirmation taken upon assuming the duties of any public office, or
47 that oath or affirmation, taken by a current or former officer or
48 employee in any public office or position in this State or in any

1 county or municipality of this State, including members of the
2 Legislative Branch, Executive Branch, Judicial Branch, and all law
3 enforcement entities, except that the full name, title, and oath date
4 of that person contained therein shall not be deemed confidential;
5 and

6 that portion of any document which discloses the social security
7 number, credit card number, unlisted telephone number or driver
8 license number of any person; except for use by any government
9 agency, including any court or law enforcement agency, in carrying
10 out its functions, or any private person or entity acting on behalf
11 thereof, or any private person or entity seeking to enforce payment
12 of court-ordered child support; except with respect to the disclosure
13 of driver information by the New Jersey Motor Vehicle
14 Commission as permitted by section 2 of P.L.1997, c.188 (C.39:2-
15 3.4); and except that a social security number contained in a record
16 required by law to be made, maintained or kept on file by a public
17 agency shall be disclosed when access to the document or
18 disclosure of that information is not otherwise prohibited by State
19 or federal law, regulation or order or by State statute, resolution of
20 either or both houses of the Legislature, Executive Order of the
21 Governor, rule of court or regulation promulgated under the
22 authority of any statute or executive order of the Governor.

23 A government record shall not include, with regard to any public
24 institution of higher education, the following information which is
25 deemed to be privileged and confidential:

26 pedagogical, scholarly and/or academic research records and/or
27 the specific details of any research project conducted under the
28 auspices of a public higher education institution in New Jersey,
29 including, but not limited to research, development information,
30 testing procedures, or information regarding test participants,
31 related to the development or testing of any pharmaceutical or
32 pharmaceutical delivery system, except that a custodian may not
33 deny inspection of a government record or part thereof that gives
34 the name, title, expenditures, source and amounts of funding and
35 date when the final project summary of any research will be
36 available;

37 test questions, scoring keys and other examination data
38 pertaining to the administration of an examination for employment
39 or academic examination;

40 records of pursuit of charitable contributions or records
41 containing the identity of a donor of a gift if the donor requires non-
42 disclosure of the donor's identity as a condition of making the gift
43 provided that the donor has not received any benefits of or from the
44 institution of higher education in connection with such gift other
45 than a request for memorialization or dedication;

46 valuable or rare collections of books and/or documents obtained
47 by gift, grant, bequest or devise conditioned upon limited public
48 access;

1 information contained on individual admission applications; and
2 information concerning student records or grievance or
3 disciplinary proceedings against a student to the extent disclosure
4 would reveal the identity of the student.

5 "Personal firearms record" means any information contained in a
6 background investigation conducted by the chief of police, the
7 county prosecutor, or the Superintendent of State Police, of any
8 applicant for a permit to purchase a handgun, firearms identification
9 card license, or firearms registration; any application for a permit to
10 purchase a handgun, firearms identification card license, or firearms
11 registration; any document reflecting the issuance or denial of a
12 permit to purchase a handgun, firearms identification card license,
13 or firearms registration; and any permit to purchase a handgun,
14 firearms identification card license, or any firearms license,
15 certification, certificate, form of register, or registration statement.
16 For the purposes of this paragraph, information contained in a
17 background investigation shall include, but not be limited to,
18 identity, name, address, social security number, phone number, fax
19 number, driver's license number, email address, social media
20 address of any applicant, licensee, registrant or permit holder.

21 "Public agency" or "agency" means any of the principal
22 departments in the Executive Branch of State Government, and any
23 division, board, bureau, office, commission or other instrumentality
24 within or created by such department; the Legislature of the State
25 and any office, board, bureau or commission within or created by
26 the Legislative Branch; **【and】** any independent State authority,
27 commission, instrumentality or agency; and the Port Authority of
28 New York and New Jersey, Delaware River Port Authority,
29 Delaware River and Bay Authority, or Delaware River Joint Toll
30 Bridge Commission. The terms also mean any political subdivision
31 of the State or combination of political subdivisions, and any
32 division, board, bureau, office, commission or other instrumentality
33 within or created by a political subdivision of the State or
34 combination of political subdivisions, and any independent
35 authority, commission, instrumentality or agency created by a
36 political subdivision or combination of political subdivisions.

37 "Law enforcement agency" means a public agency, or part
38 thereof, determined by the Attorney General to have law
39 enforcement responsibilities.

40 "Constituent" means any State resident or other person
41 communicating with a member of the Legislature.

42 "Member of the Legislature" means any person elected or
43 selected to serve in the New Jersey Senate or General Assembly.

44 "Criminal investigatory record" means a record which is not
45 required by law to be made, maintained or kept on file that is held
46 by a law enforcement agency which pertains to any criminal
47 investigation or related civil enforcement proceeding.

1 "Victim's record" means an individually-identifiable file or
2 document held by a victims' rights agency which pertains directly to
3 a victim of a crime except that a victim of a crime shall have access
4 to the victim's own records.

5 "Victim of a crime" means a person who has suffered personal or
6 psychological injury or death or incurs loss of or injury to personal
7 or real property as a result of a crime, or if such a person is
8 deceased or incapacitated, a member of that person's immediate
9 family.

10 "Victims' rights agency" means a public agency, or part thereof,
11 the primary responsibility of which is providing services, including
12 but not limited to food, shelter, or clothing, medical, psychiatric,
13 psychological or legal services or referrals, information and referral
14 services, counseling and support services, or financial services to
15 victims of crimes, including victims of sexual assault, domestic
16 violence, violent crime, child endangerment, child abuse or child
17 neglect, and the Victims of Crime Compensation **Board** Agency
18 or the Victims of Crime Compensation Review Board, established
19 pursuant to **[P.L.1971, c.317 (C.52:4B-1 et seq.)]** section 2 of
20 P.L.2007, c.95 (C.52:4B-3.2).
21 (cf: P.L.2015, c.59, s.1)

22
23 4. (New section) The Governor is authorized to enter into a
24 supplemental compact or agreement, on behalf of the State of New
25 Jersey, with the State of New York amending the compact of April
26 30, 1921, between the states of New York and New Jersey, as
27 amended and supplemented, creating the Port Authority of New
28 York and New Jersey as set forth in sections 5 through 11 of
29 P.L. , c. (C.) (pending before the legislature as this bill).

30
31 5. (New section) a. The Port Authority of New York and New
32 Jersey shall adopt a code of ethics applicable to each officer,
33 director, and employee of the port authority that, at a minimum,
34 includes the applicable standards established in the ethics law of
35 both states.

36 b. Every officer, director, and employee of the port authority
37 shall participate in training approved by the authority's Inspector
38 General regarding the member's ethical responsibilities.

39
40 6. (New section) a. Every member of the Port Authority of
41 New York and New Jersey's Board of Commissioners shall perform
42 each of their duties as a board member in good faith and with that
43 degree of diligence, care, and skill which an ordinarily prudent
44 person in like position would exercise under similar circumstances,
45 and may take into consideration the views and policies of any
46 elected official or body, or other person, and ultimately apply
47 independent judgment in the best interest of the authority, its
48 mission, and the public.

1 b. At the time that the board member takes and subscribes the
2 oath of office, or within 60 days after the effective date of P.L. ,
3 c. (C.) (pending before the Legislature as this bill) if the
4 board member has already taken and subscribed the oath of office,
5 execute an acknowledgement in which the board member
6 acknowledges that the board member understands the board
7 member's role, and fiduciary responsibilities as set forth in this
8 section, and acknowledges that the board member understands the
9 board member's duty of loyalty and care to the organization and
10 commitment to the port authority's mission and the public interest.

11
12 7. (New section) The Port Authority of New York and New
13 Jersey shall be subject to the provisions of New York's Freedom of
14 Information Law pursuant to NY Pub.Off.Law ss.84-90, and to the
15 provisions of P.L.1963, c.73 (C.47:1A-1 et seq.), commonly known
16 as the open public records act, as selected by the person or entity
17 requesting the records.

18
19 8. (New section) The Port Authority of New York and New
20 Jersey shall be required to implement the recommendations
21 contained in any independent audit of the port authority. If the
22 Board of Commissioners of the port authority determines that any
23 recommendation contained in the independent audit cannot be
24 reasonably implemented, the board may petition the governors of
25 New York and New Jersey for approval to delay or omit the
26 implementation of any recommendation. The governors shall be
27 required to provide a written response to a petition within 30 days
28 of receipt. If the port authority fails to implement a
29 recommendation contained in an independent audit of the port
30 authority and if it has not been granted approval by the governors of
31 New York and New Jersey to delay or omit the recommendation,
32 the port authority shall be prohibited from issuing any additional
33 bonds or securities until the recommendation has been implemented
34 or has been granted approval by the governors to omit or delay the
35 recommendation.

36
37 9. (New section) The Port Authority of New York and New
38 Jersey shall provide on its Internet website a copy of a sworn and
39 duly notarized financial disclosure statement for each member of
40 the Board of Commissioners of the port authority. Each statement
41 shall include the following information:

- 42 a. the name and position of the commissioner;
43 b. any occupation, trade, business, profession, or employment
44 engaged in by the commissioner;
45 c. a list of all assets having a value of more than \$1,000, both
46 tangible and intangible, in which a direct or indirect interest is held
47 as of the date of the statement by the commissioner;
48 d. A list of all liabilities of the commissioner;

1 e. A list of all liabilities otherwise subject to disclosure which
2 have been forgiven by the creditor within 12 months of the
3 statement date;

4 f. A list of all sources of income of the commissioner,
5 including all directorships or other fiduciary positions for which
6 compensation has or will be claimed, all capital gains including a
7 description of the individual sources of such gains, all contractual
8 arrangements producing or expected to produce income, and all
9 honoraria, lecture fees, gifts, and other cash or non-cash gratuities,
10 and other miscellaneous sources of income including, but not
11 limited to, interest, dividends royalties, and rents;

12 g. A list of any offices, trusteeships, directorships, or positions
13 of any nature, whether compensated or uncompensated, held by the
14 commissioner with any firm, corporation, association, partnership,
15 or business; and

16 h. For every firm, corporation, association, partnership, or
17 business from which the commissioner has received any
18 compensation, a list of all clients who have paid the firm,
19 corporation, association, partnership, or business more than
20 \$10,000.

21 Each statement shall contain a certification by the commissioner
22 that the commissioner has read the statement, that to the best of the
23 commissioner's knowledge and belief it is true, correct, and
24 complete, and that the commissioner has not transferred and will
25 not transfer any asset, interest, or property for the purpose of
26 concealing it from disclosure while retaining an equitable interest
27 therein.

28

29 10. (New section) The employees of the Port Authority of New
30 York and New Jersey shall be subject to the provisions of the
31 "Conscientious Employee Protection Act," P.L.1986, c.105
32 (C.34:19-1 et seq.).

33

34 11. (New section) a. Within 60 days of the effective date of
35 P.L. , c. (C.) (pending before the Legislature as this bill),
36 there shall be established an Office of the Investigator General in,
37 but not of, the Port Authority of New York and New Jersey.
38 Notwithstanding this allocation, the office shall be independent of
39 any supervision or control by the port authority, or the department
40 or by any division, board, office, or other officer thereof. The
41 Investigator General shall report directly to the Governor. The
42 Investigator General shall submit requests for the budget of the
43 office directly to the Governor who shall review the requests and
44 forward them to the Division of Budget and Accounting in the
45 Department of the Treasury;

46 b. The Office of the Investigator General shall be administered
47 by the Investigator General. The Investigator General shall be
48 appointed by the Governor with the advice and consent of the

1 Senate. The Investigator General shall be a person qualified by
2 education, training, and prior work experience to direct the work of
3 the office and to perform the duties and functions and fulfill the
4 responsibilities of the position;

5 c. The Investigator General shall serve for one term of 10 years
6 and until a successor is appointed and has qualified. No person who
7 has served as Investigator General, including an unexpired term,
8 shall again be eligible to serve in the Office of the Investigator
9 General.

10 d. The Investigator General shall devote full time to the duties
11 and responsibilities of the office and shall receive a salary as shall
12 be provided pursuant to law.

13 e. During the term of office, the Investigator General may be
14 removed by the Governor only for cause upon notice and
15 opportunity to be heard.

16 f. A vacancy in the position of Investigator General due to a
17 cause other than the expiration of the term shall be filled for the
18 unexpired term only in the same manner as the original
19 appointment.

20 g. A person who holds the position of Investigator General
21 shall not be a candidate for, or hold, elective public office for a
22 period of two years immediately following the termination of that
23 person's service as Investigator General. No person who holds the
24 position of Investigator General, or any position of employment as
25 professional staff in the Office of Investigator General, while
26 holding any such office or position, shall:

27 (1) be a candidate for election to, or hold, any elective public
28 office or any office or position with any political party or club; or

29 (2) in connection with another individual's candidacy for public
30 office, sign or authorize the use of that person's name in connection
31 with political or campaign literature or material, or print, publish or
32 distribute such political or campaign literature or material.

33 h. (1) The Office of the Investigator General shall be
34 responsible for conducting, in accordance with subsection l. of this
35 section, routine, periodic, and random audits of the port authority
36 and for conducting assessments of the performance and
37 management of programs of the port authority and the extent to
38 which they are achieving their goals and objectives.

39 (2) The Investigator General shall establish the internal
40 organizational structure of the office and the bureaus therein in a
41 manner appropriate to carrying out the duties and functions, and
42 fulfilling the responsibilities, of the office. The Investigator
43 General shall have the power to appoint, employ, promote, and
44 remove such assistants, employees, and personnel as the
45 Investigator General deems necessary for the efficient and effective
46 administration of the office. All office assistants, employees, and
47 personnel shall be deemed confidential employees for purposes of
48 the "New Jersey Employer-Employee Relations Act,"

1 P.L.1941, c.100 (C.34:13A-1 et seq.) and shall serve in the
2 unclassified service of the Civil Service.

3 i. Within the limits of funds appropriated for such purposes,
4 the Investigator General may obtain the services of certified public
5 accountants, qualified management consultants, and other
6 professionals necessary to independently perform the duties and
7 functions of the office.

8 j. The Investigator General is authorized to call upon any
9 department, office, or division of the port authority to provide any
10 information, resources, or other assistance deemed necessary to
11 discharge the duties and functions and to fulfill the responsibilities
12 of the Investigator General under P.L. , c. (C.) (pending
13 before the Legislature as this bill). Each department, office,
14 division of the port authority shall cooperate with the Investigator
15 General and furnish the office with the assistance necessary to
16 accomplish the purposes of P.L. , c. (C.) (pending before
17 the Legislature as this bill).

18 k. The Investigator General shall consolidate within the Office
19 of the Investigator General the coordination of the internal and
20 external audit functions, including but not limited to economy and
21 efficiency audits in the port authority. The Investigator General is
22 authorized to:

23 (1) establish a full-time program of audit and performance
24 review, in accordance with subsection 1. of this section, designed to
25 provide increased accountability, integrity, and oversight of the port
26 authority; and

27 (2) audit and monitor the process of soliciting proposals for, and
28 the process of awarding, contracts made by the port authority that
29 involve a significant consideration or expenditure of funds or are
30 comprised of complex or unique components, or both, as
31 determined by the Investigator General.

32 l. (1) The Investigator General shall have all the powers
33 necessary to carry out the duties and functions and to fulfill the
34 responsibilities described in this section, including the power to
35 conduct audits and reviews and propose and enforce remediation
36 plans for the port authority, that are found by the Investigator
37 General to have deficient practices or procedures.

38 (2) The Investigator General shall conduct audits and reviews in
39 accordance with prevailing national and professional standards,
40 rules, and practices relating to such audits and reviews in
41 government environments, including the standards for performance
42 reviews utilized by the United States Government Accountability
43 Office or its successor, and the Investigator General shall ensure
44 that the office remains in compliance with such standards, rules,
45 and practices.

46 (3) The Investigator General shall undertake analysis and review
47 of the certified financial audits of the port authority and of the
48 procedures used to conduct those audits. When the Investigator

1 General's analysis and review identifies weaknesses, inadequacies,
2 or failures in the port authority's financial controls or concerns
3 about the quality or independence of the audits, the Investigator
4 General shall be authorized to undertake a financial audit or such
5 other steps as the Investigator General deems appropriate. In
6 determining when to proceed with a financial audit, the Investigator
7 General may also take into account information obtained pursuant
8 to subsection q. of P.L. , c. (C.) (pending before the
9 Legislature as this bill); referrals or recommendations from the port
10 authority; and assessments or evaluations of the port authority's
11 management, performance, or financial condition from federal or
12 State government agencies.

13 m. The Investigator General shall establish objective criteria for
14 undertaking performance and other reviews authorized by
15 P.L. , c. (C.) (pending before the Legislature as this bill),
16 which criteria shall weigh relevant risk factors, including, but not
17 limited to:

- 18 (1) the size of the port authority's budget;
- 19 (2) the port authority's past performance;
- 20 (3) the frequency, scope, and quality of any audits or reviews
21 that have been performed regarding the port authority's financial
22 condition or performance;
- 23 (4) assessments or evaluations of the port authority's
24 management, performance, or financial condition; and
- 25 (5) other credible information which suggests the necessity of a
26 review.

27 n. The Investigator General shall provide guidance to units in
28 the port authority that are required to engage outside auditors
29 regarding procurement of their services, the rotation of the
30 providers of such services, and the avoidance of possible conflicts
31 of interest in the hiring of outside auditors.

32 o. In carrying out the duties, functions, and responsibilities of
33 the Office of the Investigator General under P.L. , c. (C.)
34 (pending before the Legislature as this bill), the Investigator
35 General shall not charge any costs incurred by the office against the
36 port authority.

37 p. (1) The Investigator General shall establish a system that
38 shall ensure that any officers and employees of the port authority
39 who perform audits, investigations, and performance reviews
40 similar or identical to those authorized to be performed by the
41 Investigator General shall conduct their audits, investigations, and
42 reviews with the consultation of, and in coordination and
43 cooperation with, the Investigator General.

44 (2) For the purpose of establishing and maintaining this system,
45 the Investigator General shall meet at periodic intervals, but at least
46 four times annually, with the officers or employees of the port
47 authority deemed necessary to perform audits, investigations, and
48 performance reviews. The responsibility of all parties during these

1 meetings shall be to: facilitate communication and exchange
2 information on completed, current, and future audits, investigations,
3 and reviews; avoid duplication and fragmentation of efforts;
4 optimize the use of resources; avoid divisiveness and organizational
5 uncertainty; promote effective working relationships; and avoid the
6 unnecessary expenditure of public funds.

7 (3) To further ensure the consultation of, and coordination and
8 cooperation with, the Investigator General, the port authority shall
9 promptly notify the Investigator General of any audits that have
10 been submitted to them that reveal any significant deficiencies.

11 q. (1) In furtherance of the duty of the Investigator General to
12 audit and monitor the process of soliciting proposals for, and the
13 process of awarding, contracts by contracting units which contracts
14 involve a significant consideration or expenditure of funds, the port
15 authority shall provide notice to the Investigator General no later
16 than 20 business days after the award of a contract involving
17 consideration or an expenditure of more than \$2,000,000 but less
18 than \$10,000,000.

19 (2) The port authority shall inform the Investigator General in
20 writing, in a form to be determined by the Investigator General, of
21 the commencement of any procurement process involving
22 consideration or an expenditure of \$10,000,000 or more at the
23 earliest time practicable as the port authority commences the
24 procurement process, but no later than the time the port authority
25 commences preparation of: any bid specification or request for
26 proposal; concession offering; proposal to purchase, sell, or lease
27 real estate; or other related activities and contracts.

28 r. The Office of Investigator General shall have the power to
29 issue subpoenas to compel attendance and testimony of persons and
30 the production of books, papers, correspondence, and other
31 documents. For this purpose, the office is empowered to administer
32 oaths and examine witnesses under oath, and compel any person to
33 produce at a specific time and place, by subpoena, any books,
34 papers, correspondence, and other documents that the office
35 reasonably believes may relate to the matter. If any person to
36 whom a subpoena is issued fails to appear or, having appeared,
37 refuses to give testimony, or fails to produce the books, papers,
38 correspondence, and other documents, the office may apply to the
39 Superior Court and the court may order the person to appear and
40 give testimony or produce the books, papers, correspondence, and
41 other documents as applicable. Failure to obey the court's order
42 may be punishable as contempt of court.

43 s. (1) The Investigator General shall report the findings of
44 audits and reviews performed by the office, and issue
45 recommendations for corrective or remedial action, to the Governor,
46 the President of the Senate, and the Speaker of the General
47 Assembly. The port authority shall fully cooperate with the
48 Investigator General to develop recommendations for a corrective

1 or remedial action plan. The Investigator General shall monitor the
2 implementation of those recommendations and shall conduct a
3 subsequent review to determine whether there has been full
4 implementation and continued compliance with those
5 recommendations.

6 (2) The Investigator General shall report promptly to the
7 Governor, the President of the Senate, and the Speaker of the
8 General Assembly if the port authority refuses to cooperate in
9 development of a corrective or remediation plan or to comply with a
10 plan.

11 (3) The Investigator General shall recommend that the Governor
12 initiate disciplinary proceedings against any official or employee of
13 the port authority who impedes an audit, or who fails or refuses to
14 cooperate in the development of a corrective or remedial action plan
15 or to comply with a plan. The Governor may cause an investigation
16 to be made of the conduct of any such official or employee and may
17 require such official to submit to the Governor a written statement
18 or statements, under oath, of such information as the Governor may
19 call for relating to the official's or the employee's conduct alleged
20 by the Investigator General. After notice, the service of charges
21 and an opportunity to be heard at public hearing, the Governor may
22 remove any such official or employee for cause. Such official or
23 employee shall have the right of judicial review, on both the law
24 and the facts, in such manner as may be provided by law.

25 (4) The Investigator General shall provide periodic reports to
26 the Governor, and shall issue an annual report to the Governor and
27 submit that report to the Legislature pursuant to section 2 of
28 P.L.1991, c.164 (C.52:14-19.1), which shall be available to the
29 public. The reports shall include but shall not be limited to the
30 reporting of any programmatic deficiencies and weaknesses that the
31 Investigator General's audits, investigations, and reviews have
32 found, and detailing the efforts by, or the failure of, the port
33 authority to implement a recommended plan for corrective or
34 remedial action.

35 t. (1) The Investigator General is authorized to refer findings
36 that may constitute alleged criminal conduct to the Attorney
37 General of New Jersey or other appropriate prosecutorial authority.
38 In the course of conducting audits and performance reviews, the
39 Investigator General may refer matters for investigation to the
40 Attorney General of New Jersey or other appropriate authorities for
41 further civil or administrative action, with recommendations to
42 initiate actions to recover monies, to terminate contracts, or
43 temporarily or permanently debar any person from contracting with
44 or receiving funds from the port authority.

45 (2) When the Investigator General refers a complaint alleging
46 criminal conduct to the Attorney General of New Jersey or other
47 appropriate prosecutorial authority and the Attorney General of
48 New Jersey or prosecutorial authority decides not to investigate or

1 prosecute the matter, the Attorney General of New Jersey or the
2 prosecutorial authority shall promptly notify the Investigator
3 General. The Attorney General of New Jersey or the prosecutorial
4 authority shall inform the Investigator General as to whether an
5 investigation is ongoing with regard to any matter so referred. The
6 Investigator General shall preserve the confidentiality of the
7 existence of any ongoing criminal investigation.

8 Upon completion of an investigation or, in a case where the
9 investigation leads to prosecution, upon completion of the
10 prosecution, the Attorney General of New Jersey or the
11 prosecutorial authority shall report promptly the findings and results
12 to the Investigator General. In the course of informing the
13 Investigator General, the Attorney General of New Jersey or
14 prosecutorial authority shall give full consideration to the port
15 authority, duties, functions, and responsibilities of the Investigator
16 General, the public interest in disclosure, and the need for
17 protecting the confidentiality of complainants and informants.

18 (3) The Investigator General shall maintain a record of all
19 matters referred and the responses received and shall be authorized
20 to disclose information received as appropriate and as may be
21 necessary to resolve the matter referred, to the extent consistent
22 with the public interest in disclosure and the need for protecting the
23 confidentiality of complainants and informants and preserving the
24 confidentiality of ongoing criminal investigations.

25 u. (1) The port authority shall provide full assistance and
26 cooperation with any audit, performance review, or contract review
27 by the Investigator General.

28 (2) The Investigator General shall have complete access to all
29 records of the port authority, including all information deemed
30 confidential by the port authority. Provided however, that any
31 information deemed confidential, shall directly relate to a program
32 or expenditure that is the subject of an audit, performance review,
33 or contract review by the Investigator General, and provided further
34 that if the port authority provides the Investigator General with
35 access to information that is subject to a confidentiality agreement,
36 the port authority shall promptly notify the parties to the agreement
37 that the information is being provided to the Investigator General.

38 (3) Whenever a person requests access to a record that the
39 Investigator General, during the course of an audit, investigation,
40 performance review, or contract review obtained from the port
41 authority, which record was open for public inspection,
42 examination, or copying before the audit, investigation, or review
43 commenced, the port authority shall comply with the request,
44 provided that the request does not in any way identify the record
45 sought by means of a reference to the Investigator General's audit or
46 review or to an investigation by the Investigator General, including,
47 but not limited to, a reference to a subpoena issued pursuant to such
48 investigation.

1 (4) Private vendors or other persons contracting with or
2 receiving funds from the port authority shall, upon request by the
3 Investigator General, provide the Investigator General with prompt
4 access to all relevant documents and information as a condition of
5 the contract and receipt of public monies. The Investigator General
6 shall not disclose any document or information to which access is
7 provided that is confidential or proprietary. If the Investigator
8 General finds that any person receiving funds from the port
9 authority refuses to provide information upon the request of the
10 Investigator General, or otherwise impedes or fails to cooperate
11 with any audit or performance review, the Investigator General may
12 recommend to the port authority that the person be subject to
13 termination of their contract, or temporarily or permanently
14 debarred from contracting with the port authority.

15
16 12. (New section) The Governor is authorized to apply, on
17 behalf of the State of New Jersey, to the Congress of the United
18 States for its consent and approval to the amendments to this
19 compact or agreement provided in sections 4 through 11 of
20 P.L. , c. (C.) (pending before the Legislature as this bill),
21 but in the absence of such consent and approval, the Port Authority
22 of New York and New Jersey referred to in such supplemental
23 compact or agreement shall have all of the powers which the State
24 of New York and the State of New Jersey may confer upon it
25 without the consent and approval of Congress.

26
27 13. (New section) The Governor is authorized to enter into a
28 supplemental compact or agreement, on behalf of the State of New
29 Jersey, with the Commonwealth of Pennsylvania supplementing the
30 compact or agreement between the Commonwealth of Pennsylvania
31 and the State of New Jersey entitled "Agreement Between the
32 Commonwealth of Pennsylvania and the State of New Jersey
33 creating the Delaware River Joint Commission as a body corporate
34 and politic and defining its powers and duties," as set forth in
35 sections 14 through 20 of P.L. , c. (C.) (pending before the
36 Legislature as this bill).

37
38 14. (New section) a. The Delaware River Port Authority shall
39 adopt a code of ethics applicable to each officer, director, and
40 employee of the port authority that, at a minimum, includes the
41 applicable standards established in the ethics law of both states.

42 b. Every officer, director, and employee of the port authority
43 shall participate in training approved by the port authority's
44 Inspector General regarding the person's ethical responsibilities.

45
46 15. (New section) a. Every member of the Delaware River Port
47 Authority's Board of Commissioners shall perform each of their
48 duties as a board member in good faith and with that degree of

1 diligence, care, and skill which an ordinarily prudent person in
2 similar position would exercise under similar circumstances, and
3 may take into consideration the views and policies of any elected
4 official or body, or other person, and ultimately apply independent
5 judgment in the best interest of the port authority, its mission, and
6 the public.

7 b. At the time that the board member takes and subscribes the
8 oath of office, or within 60 days after the effective date of
9 P.L. , c. (C.) (pending before the Legislature as this bill) if
10 the board member has already taken and subscribed the oath of
11 office, execute an acknowledgement in which the board member
12 acknowledges that the board member understands the board
13 member's role, and fiduciary responsibilities as set forth in this
14 section, and acknowledges that the board member understands the
15 board member's duty of loyalty and care to the organization and
16 commitment to the port authority's mission and the public interest.

17
18 16. (New section) The Delaware River Port Authority shall be
19 subject to the provisions of the Pennsylvania Right to Know Law
20 pursuant to 65 P.S. s.67.101 et seq., and to the provisions of
21 P.L.1963, c.73 (C.47:1A-1 et seq.), commonly known as the open
22 public records act, as selected by the person or entity requesting the
23 records.

24
25 17. (New section) The Delaware River Port Authority shall be
26 required to implement the recommendations contained in any
27 independent audit of the port authority. If the Board of
28 Commissioners of the port authority determines that any
29 recommendation contained in the independent audit cannot be
30 reasonably implemented, the board may petition the governors of
31 Pennsylvania and New Jersey for approval to delay or omit the
32 implementation of any recommendation. The governors shall be
33 required to provide a written response to a petition within 30 days
34 of receipt. If the port authority fails to implement a
35 recommendation contained in an independent audit of the port
36 authority and if it has not been granted approval by the governors of
37 Pennsylvania and New Jersey to delay or omit the recommendation,
38 the port authority shall be prohibited from issuing any additional
39 bonds or securities until the recommendation has been implemented
40 or the port authority has been granted approval by the governors to
41 omit or delay the recommendation.

42
43 18. (New section) The Delaware River Port Authority shall
44 provide on its Internet website a copy of a sworn and duly notarized
45 financial disclosure statement for each member of the Board of
46 Commissioners of the port authority. Each statement shall include
47 the following information:

- 1 a. the name and position of the commissioner;
- 2 b. any occupation, trade, business, profession, or employment
- 3 engaged in by the commissioner;
- 4 c. a list of all assets having a value of more than \$1,000, both
- 5 tangible and intangible, in which a direct or indirect interest is held
- 6 as of the date of the statement by the commissioner;
- 7 d. A list of all liabilities of the commissioner;
- 8 e. A list of all liabilities otherwise subject to disclosure which
- 9 have been forgiven by the creditor within 12 months of the
- 10 statement date;
- 11 f. A list of all sources of income of the commissioner,
- 12 including all directorships or other fiduciary positions for which
- 13 compensation has or will be claimed, all capital gains including a
- 14 description of the individual sources of such gains, all contractual
- 15 arrangements producing or expected to produce income, and all
- 16 honoraria, lecture fees, gifts, and other cash or non-cash gratuities,
- 17 and other miscellaneous sources of income including, but not
- 18 limited to, interest, dividends royalties, and rents;
- 19 g. A list of any offices, trusteeships, directorships, or positions
- 20 of any nature, whether compensated or uncompensated, held by the
- 21 commissioner with any firm, corporation, association, partnership,
- 22 or business; and
- 23 h. For every firm, corporation, association, partnership, or
- 24 business from which the commissioner has received any
- 25 compensation, a list of all clients who have paid the firm,
- 26 corporation, association, partnership, or business more than
- 27 \$10,000.
- 28 Each statement shall contain a certification by the commissioner
- 29 that the commissioner has read the statement, that to the best of the
- 30 commissioner's knowledge and belief it is true, correct, and
- 31 complete and that the commissioner has not transferred and will not
- 32 transfer any asset, interest, or property for the purpose of
- 33 concealing it from disclosure while retaining an equitable interest
- 34 therein.
- 35
- 36 19. (New section) The employees of the Delaware River Port
- 37 Authority shall be subject to the provisions of the "Conscientious
- 38 Employee Protection Act," P.L.1986, c.105 (C.34:19-1 et seq.).
- 39
- 40 20. (New section) a. Within 60 days of the effective date of
- 41 P.L. , c. (C.) (pending before the Legislature as this bill),
- 42 there shall be established an Office of the Investigator General in,
- 43 but not of, the Delaware River Port Authority. Notwithstanding this
- 44 allocation, the office shall be independent of any supervision or
- 45 control by the port authority, or the department or by any division,
- 46 board, office, or other officer thereof. The Investigator General
- 47 shall report directly to the Governor. The Investigator General shall
- 48 submit requests for the budget of the office directly to the Governor

- 1 who shall review the requests and forward them to the Division of
2 Budget and Accounting in the Department of the Treasury;
- 3 b. The Office of the Investigator General shall be administered
4 by the Investigator General. The Investigator General shall be
5 appointed by the Governor with the advice and consent of the
6 Senate. The Investigator General appointed pursuant to this new
7 section may be the same person appointed by the Governor pursuant
8 to subsection b. of section 38 of P.L. , c. (C.) (pending
9 before the Legislature as this bill) to perform the functions and
10 duties of both positions. The Investigator General shall be a person
11 qualified by education, training, and prior work experience to direct
12 the work of the office and to perform the duties and functions and
13 fulfill the responsibilities of the position;
- 14 c. The Investigator General shall serve for one term of 10 years
15 and until a successor is appointed and has qualified. No person who
16 has served as Investigator General, including an unexpired term,
17 shall again be eligible to serve in the Office of the Investigator
18 General.
- 19 d. The Investigator General shall devote full time to the duties
20 and responsibilities of the office and shall receive a salary as shall
21 be provided pursuant to law.
- 22 e. During the term of office, the Investigator General may be
23 removed by the Governor only for cause upon notice and
24 opportunity to be heard.
- 25 f. A vacancy in the position of Investigator General due to a
26 cause other than the expiration of the term shall be filled for the
27 unexpired term only in the same manner as the original
28 appointment.
- 29 g. A person who holds the position of Investigator General
30 shall not be a candidate for, or hold, elective public office for a
31 period of two years immediately following the termination of that
32 person's service as Investigator General. No person who holds the
33 position of Investigator General, or any position of employment as
34 professional staff in the Office of Investigator General, while
35 holding any such office or position, shall:
- 36 (1) be a candidate for election to, or hold, any elective public
37 office or any office or position with any political party or club; or
38 (2) in connection with another individual's candidacy for public
39 office, sign or authorize the use of that person's name in connection
40 with political or campaign literature or material, or print, publish or
41 distribute such political or campaign literature or material.
- 42 h. (1) The Office of the Investigator General shall be
43 responsible for conducting, in accordance with subsection l. of this
44 subsection, routine, periodic, and random audits of the port
45 authority and for conducting assessments of the performance and
46 management of programs of the port authority and the extent to
47 which they are achieving their goals and objectives.

1 (2) The Investigator General shall establish the internal
2 organizational structure of the office and the bureaus therein in a
3 manner appropriate to carrying out the duties and functions, and
4 fulfilling the responsibilities, of the office. The Investigator
5 General shall have the power to appoint, employ, promote, and
6 remove such assistants, employees, and personnel as the
7 Investigator General deems necessary for the efficient and effective
8 administration of the office. All office assistants, employees, and
9 personnel shall be deemed confidential employees for purposes of
10 the "New Jersey Employer-Employee Relations Act," P.L.1941,
11 c.100 (C.34:13A-1 et seq.) and shall serve in the unclassified
12 service of the Civil Service.

13 i. Within the limits of funds appropriated for such purposes,
14 the Investigator General may obtain the services of certified public
15 accountants, qualified management consultants, and other
16 professionals necessary to independently perform the duties and
17 functions of the office.

18 j. The Investigator General is authorized to call upon any
19 department, office, or division of the port authority to provide any
20 information, resources, or other assistance deemed necessary to
21 discharge the duties and functions and to fulfill the responsibilities
22 of the Investigator General under P.L. , c. (C.) (pending
23 before the Legislature as this bill). Each department, office,
24 division of the port authority shall cooperate with the Investigator
25 General and furnish the office with the assistance necessary to
26 accomplish the purposes of P.L. , c. (C.) (pending before
27 the Legislature as this bill).

28 k. The Investigator General shall consolidate within the Office
29 of the Investigator General the coordination of the internal and
30 external audit functions, including but not limited to economy and
31 efficiency audits in the port authority. The Investigator General is
32 authorized to:

33 (1) establish a full-time program of audit and performance
34 review, in accordance with subsection l. of this section, designed to
35 provide increased accountability, integrity, and oversight of the port
36 authority; and

37 (2) audit and monitor the process of soliciting proposals for, and
38 the process of awarding, contracts made by the port authority that
39 involve a significant consideration or expenditure of funds or are
40 comprised of complex or unique components, or both, as
41 determined by the Investigator General.

42 l. (1) The Investigator General shall have all the powers
43 necessary to carry out the duties and functions and to fulfill the
44 responsibilities described in this section, including the power to
45 conduct audits and reviews and propose and enforce remediation
46 plans for the port authority, that are found by the Investigator
47 General to have deficient practices or procedures.

1 (2) The Investigator General shall conduct audits and reviews in
2 accordance with prevailing national and professional standards,
3 rules, and practices relating to such audits and reviews in
4 government environments, including the standards for performance
5 reviews utilized by the United States Government Accountability
6 Office or its successor, and the Investigator General shall ensure
7 that the office remains in compliance with such standards, rules,
8 and practices.

9 (3) The Investigator General shall undertake analysis and review
10 of the certified financial audits of the port authority and of the
11 procedures used to conduct those audits. When the Investigator
12 General's analysis and review identifies weaknesses, inadequacies,
13 or failures in the port authority's financial controls or concerns
14 about the quality or independence of the audits, the Investigator
15 General shall be authorized to undertake a financial audit or such
16 other steps as the Investigator General deems appropriate. In
17 determining when to proceed with a financial audit, the Investigator
18 General may also take into account information obtained pursuant
19 to subsection q. of P.L. , c. (C.) (pending before the
20 Legislature as this bill); referrals or recommendations from the port
21 authority; and assessments or evaluations of the port authority's
22 management, performance, or financial condition from federal or
23 State government agencies.

24 m. The Investigator General shall establish objective criteria for
25 undertaking performance and other reviews authorized by
26 P.L. , c. (C.) (pending before the Legislature as this bill),
27 which criteria shall weigh relevant risk factors, including, but not
28 limited to:

- 29 (1) the size of the port authority's budget;
- 30 (2) the port authority's past performance;
- 31 (3) the frequency, scope, and quality of any audits or reviews
32 that have been performed regarding the port authority's financial
33 condition or performance;
- 34 (4) assessments or evaluations of the port authority's
35 management, performance, or financial condition; and
- 36 (5) other credible information which suggests the necessity of a
37 review.

38 n. The Investigator General shall provide guidance to units in
39 the port authority that are required to engage outside auditors
40 regarding procurement of their services, the rotation of the
41 providers of such services, and the avoidance of possible conflicts
42 of interest in the hiring of outside auditors.

43 o. In carrying out the duties, functions, and responsibilities of
44 the Office of the Investigator General under P.L. , c. (C.)
45 (pending before the Legislature as this bill), the Investigator
46 General shall not charge any costs incurred by the office against the
47 port authority.

1 p. (1) The Investigator General shall establish a system that
2 shall ensure that any officers and employees of the port authority
3 who perform audits, investigations, and performance reviews
4 similar or identical to those authorized to be performed by the
5 Investigator General shall conduct their audits, investigations, and
6 reviews with the consultation of, and in coordination and
7 cooperation with, the Investigator General.

8 (2) For the purpose of establishing and maintaining this system,
9 the Investigator General shall meet at periodic intervals, but at least
10 four times annually, with the officers or employees of the port
11 authority deemed necessary to perform audits, investigations, and
12 performance reviews. The responsibility of all parties during these
13 meetings shall be to: facilitate communication and exchange
14 information on completed, current, and future audits, investigations,
15 and reviews; avoid duplication and fragmentation of efforts;
16 optimize the use of resources; avoid divisiveness and organizational
17 uncertainty; promote effective working relationships; and avoid the
18 unnecessary expenditure of public funds.

19 (3) To further ensure the consultation of, and coordination and
20 cooperation with, the Investigator General, the port authority shall
21 promptly notify the Investigator General of any audits that have
22 been submitted to them that reveal any significant deficiencies.

23 q. (1) In furtherance of the duty of the Investigator General to
24 audit and monitor the process of soliciting proposals for, and the
25 process of awarding, contracts by contracting units which contracts
26 involve a significant consideration or expenditure of funds, the port
27 authority shall provide notice to the Investigator General no later
28 than 20 business days after the award of a contract involving
29 consideration or an expenditure of more than \$2,000,000 but less
30 than \$10,000,000.

31 (2) The port authority shall inform the Investigator General in
32 writing, in a form to be determined by the Investigator General, of
33 the commencement of any procurement process involving
34 consideration or an expenditure of \$10,000,000 or more at the
35 earliest time practicable as the port authority commences the
36 procurement process, but no later than the time the port authority
37 commences preparation of: any bid specification or request for
38 proposal; concession offering; proposal to purchase, sell, or lease
39 real estate; or other related activities and contracts.

40 r. The Office of Investigator General shall have the power to
41 issue subpoenas to compel attendance and testimony of persons and
42 the production of books, papers, correspondence, and other
43 documents. For this purpose, the office is empowered to administer
44 oaths and examine witnesses under oath, and compel any person to
45 produce at a specific time and place, by subpoena, any books,
46 papers, correspondence, and other documents that the office
47 reasonably believes may relate to the matter. If any person to
48 whom a subpoena is issued fails to appear or, having appeared,

1 refuses to give testimony, or fails to produce the books, papers,
2 correspondence, and other documents, the office may apply to the
3 Superior Court and the court may order the person to appear and
4 give testimony or produce the books, papers, correspondence, and
5 other documents as applicable. Failure to obey the court's order
6 may be punishable as contempt of court.

7 s. (1) The Investigator General shall report the findings of
8 audits and reviews performed by the office, and issue
9 recommendations for corrective or remedial action, to the Governor,
10 the President of the Senate, and the Speaker of the General
11 Assembly. The port authority shall fully cooperate with the
12 Investigator General to develop recommendations for a corrective
13 or remedial action plan. The Investigator General shall monitor the
14 implementation of those recommendations and shall conduct a
15 subsequent review to determine whether there has been full
16 implementation and continued compliance with those
17 recommendations.

18 (2) The Investigator General shall report promptly to the
19 Governor, the President of the Senate, and the Speaker of the
20 General Assembly if the port authority refuses to cooperate in
21 development of a corrective or remediation plan or to comply with a
22 plan.

23 (3) The Investigator General shall recommend that the Governor
24 initiate disciplinary proceedings against any official or employee of
25 the port authority who impedes an audit, or who fails or refuses to
26 cooperate in the development of a corrective or remedial action plan
27 or to comply with a plan. The Governor may cause an investigation
28 to be made of the conduct of any such official or employee and may
29 require such official to submit to the Governor a written statement
30 or statements, under oath, of such information as the Governor may
31 call for relating to the official's or the employee's conduct alleged
32 by the Investigator General. After notice, the service of charges
33 and an opportunity to be heard at public hearing, the Governor may
34 remove any such official or employee for cause. Such official or
35 employee shall have the right of judicial review, on both the law
36 and the facts, in such manner as may be provided by law.

37 (4) The Investigator General shall provide periodic reports to
38 the Governor, and shall issue an annual report to the Governor and
39 submit that report to the Legislature pursuant to section 2 of
40 P.L.1991, c.164 (C.52:14-19.1), which shall be available to the
41 public. The reports shall include but shall not be limited to the
42 reporting of any programmatic deficiencies and weaknesses that the
43 Investigator General's audits, investigations, and reviews have
44 found, and detailing the efforts by, or the failure of, the port
45 authority to implement a recommended plan for corrective or
46 remedial action.

47 t. (1) The Investigator General is authorized to refer findings
48 that may constitute alleged criminal conduct to the Attorney

1 General of New Jersey or other appropriate prosecutorial authority.
2 In the course of conducting audits and performance reviews, the
3 Investigator General may refer matters for investigation to the
4 Attorney General of New Jersey or other appropriate authorities for
5 further civil or administrative action, with recommendations to
6 initiate actions to recover monies, to terminate contracts, or
7 temporarily or permanently debar any person from contracting with
8 or receiving funds from the port authority.

9 (2) When the Investigator General refers a complaint alleging
10 criminal conduct to the Attorney General of New Jersey or other
11 appropriate prosecutorial authority and the Attorney General of
12 New Jersey or prosecutorial authority decides not to investigate or
13 prosecute the matter, the Attorney General of New Jersey or the
14 prosecutorial authority shall promptly notify the State Comptroller
15 and the State Inspector General. The Attorney General of New
16 Jersey or the prosecutorial authority shall inform the Investigator
17 General as to whether an investigation is ongoing with regard to any
18 matter so referred. The Investigator General shall preserve the
19 confidentiality of the existence of any ongoing criminal
20 investigation.

21 Upon completion of an investigation or, in a case where the
22 investigation leads to prosecution, upon completion of the
23 prosecution, the Attorney General of New Jersey or the
24 prosecutorial authority shall report promptly the findings and results
25 to the Investigator General. In the course of informing the
26 Investigator General, the Attorney General of New Jersey or
27 prosecutorial authority shall give full consideration to the port
28 authority, duties, functions, and responsibilities of the Investigator
29 General, the public interest in disclosure, and the need for
30 protecting the confidentiality of complainants and informants.

31 (3) The Investigator General shall maintain a record of all
32 matters referred and the responses received and shall be authorized
33 to disclose information received as appropriate and as may be
34 necessary to resolve the matter referred, to the extent consistent
35 with the public interest in disclosure and the need for protecting the
36 confidentiality of complainants and informants and preserving the
37 confidentiality of ongoing criminal investigations.

38 u. (1) The port authority shall provide full assistance and
39 cooperation with any audit, performance review, or contract review
40 by the Investigator General.

41 (2) The Investigator General shall have complete access to all
42 records of the port authority, including all information deemed
43 confidential by the port authority. Provided however, that any
44 information deemed confidential, shall directly relate to a program
45 or expenditure that is the subject of an audit, performance review,
46 or contract review by the Investigator General, and provided further
47 that if the port authority provides the Investigator General with
48 access to information that is subject to a confidentiality agreement,

1 the port authority shall promptly notify the parties to the agreement
2 that the information is being provided to the Investigator General.

3 (3) Whenever a person requests access to a record that the
4 Investigator General, during the course of an audit, investigation,
5 performance review, or contract review obtained from the port
6 authority, which record was open for public inspection,
7 examination, or copying before the audit, investigation, or review
8 commenced, the port authority shall comply with the request,
9 provided that the request does not in any way identify the record
10 sought by means of a reference to the Investigator General's audit or
11 review or to an investigation by the Investigator General, including,
12 but not limited to, a reference to a subpoena issued pursuant to such
13 investigation.

14 (4) Private vendors or other persons contracting with or
15 receiving funds from the port authority shall, upon request by the
16 Investigator General, provide the Investigator General with prompt
17 access to all relevant documents and information as a condition of
18 the contract and receipt of public monies. The Investigator General
19 shall not disclose any document or information to which access is
20 provided that is confidential or proprietary. If the Investigator
21 General finds that any person receiving funds from the port
22 authority refuses to provide information upon the request of the
23 Investigator General, or otherwise impedes or fails to cooperate
24 with any audit or performance review, the Investigator General may
25 recommend to the port authority that the person be subject to
26 termination of their contract, or temporarily or permanently
27 debarred from contracting with the port authority.

28
29 21. (New section) The Governor is authorized to apply, on
30 behalf of the State of New Jersey, to the Congress of the United
31 States for its consent and approval to the amendments to this
32 compact or agreement provided in sections 13 through 20 of
33 P.L. , c. (C.) (pending before the Legislature as this bill),
34 but in the absence of such consent and approval, the Delaware River
35 Joint Commission shall have all of the powers which the
36 Commonwealth of Pennsylvania and the State of New Jersey may
37 confer upon it without the consent and approval of Congress.

38
39 22. (New Section) The Governor is authorized to enter into a
40 supplemental compact or agreement, on behalf of the State of New
41 Jersey, with the State of Delaware supplementing the compact or
42 agreement between the State of Delaware and the State of New
43 Jersey known as the "Delaware-New Jersey Compact," as set forth
44 in sections 23 through 29 of P.L. , c. (C.) (pending before
45 the legislature as this bill).

46
47 23. (New section) a. The Delaware River and Bay Authority
48 shall adopt a code of ethics applicable to each officer, director, and

1 employee of the authority that, at a minimum, includes the
2 applicable standards established in the ethics law of both states.

3 b. Every officer, director, and employee of the authority shall
4 participate in training approved by the authority's Inspector General
5 regarding the person's ethical responsibilities.
6

7 24. (New section) a. Every member of the Delaware River and
8 Bay Authority's Board of Commissioners shall perform each of
9 their duties as a board member in good faith and with that degree of
10 diligence, care, and skill which an ordinarily prudent person in
11 similar position would exercise under similar circumstances, and
12 may take into consideration the views and policies of any elected
13 official or body, or other person, and ultimately apply independent
14 judgment in the best interest of the authority, its mission, and the
15 public.

16 b. At the time that the board member takes and subscribes the
17 oath of office, or within 60 days after the effective date of
18 P.L. , c. (C.) (pending before the Legislature as this bill)
19 if the board member has already taken and subscribed the oath of
20 office, execute an acknowledgement in which the board member
21 acknowledges that the board member understands the board
22 member's role, and fiduciary responsibilities as set forth in this
23 section, and acknowledges that the board member understands the
24 board member's duty of loyalty and care to the organization and
25 commitment to the authority's mission and the public interest.
26

27 25. (New section) The Delaware River and Bay Authority shall
28 be subject to the provisions of Delaware's Freedom of Information
29 Act, 29 Del. Code, Chapter 100, and to the provisions of P.L.1963,
30 c.73 (C.47:1A-1 et seq.), commonly known as the open public
31 records act, as selected by the person or entity requesting the
32 records.
33

34 26. (New section) The Delaware River and Bay Authority shall
35 be required to implement the recommendations contained in any
36 independent audit of the authority. If the Board of Commissioners
37 of the authority determines that any recommendation contained in
38 the independent audit cannot be reasonably implemented, the board
39 may petition the governors of Delaware and New Jersey for
40 approval to delay or omit the implementation of any
41 recommendation. The governors shall be required to provide a
42 written response to a petition within 30 days of receipt. If the
43 authority fails to implement a recommendation contained in an
44 independent audit of the authority and if it has not been granted
45 approval by the governors of Delaware and New Jersey to delay or
46 omit the recommendation, the authority shall be prohibited from
47 issuing any additional bonds or securities until the recommendation

1 has been implemented or the authority has been granted approval by
2 the governors to omit or delay the recommendation.

3
4 27. (New section) The Delaware River and Bay Authority shall
5 provide on its Internet website a copy of a sworn and duly notarized
6 financial disclosure statement for each member of the board of
7 commissioners of the authority. Each statement shall include the
8 following information:

9 a. the name and position of the commissioner;

10 b. any occupation, trade, business, profession, or employment
11 engaged in by the commissioner;

12 c. a list of all assets having a value of more than \$1,000, both
13 tangible and intangible, in which a direct or indirect interest is held
14 as of the date of the statement by the commissioner;

15 d. A list of all liabilities of the commissioner;

16 e. A list of all liabilities otherwise subject to disclosure which
17 have been forgiven by the creditor within 12 months of the
18 statement date;

19 f. A list of all sources of income of the commissioner,
20 including all directorships or other fiduciary positions for which
21 compensation has or will be claimed, all capital gains including a
22 description of the individual sources of such gains, all contractual
23 arrangements producing or expected to produce income, and all
24 honoraria, lecture fees, gifts, and other cash or non-cash gratuities,
25 and other miscellaneous sources of income including, but not
26 limited to, interest, dividends royalties, and rents;

27 g. A list of any offices, trusteeships, directorships, or positions
28 of any nature, whether compensated or uncompensated, held by the
29 commissioner with any firm, corporation, association, partnership,
30 or business; and

31 h. For every firm, corporation, association, partnership, or
32 business from which the commissioner has received any
33 compensation, a list of all clients who have paid the firm,
34 corporation, association, partnership, or business more than
35 \$10,000.

36 Each statement shall contain a certification by the commissioner
37 that the commissioner has read the statement, that to the best of the
38 commissioner's knowledge and belief it is true, correct, and
39 complete, and that the commissioner has not transferred and will
40 not transfer any asset, interest, or property for the purpose of
41 concealing it from disclosure while retaining an equitable interest
42 therein.

43
44 28. (New section) The employees of the Delaware River and
45 Bay Authority shall be subject to the provisions of the
46 "Conscientious Employee Protection Act," P.L.1986, c.105
47 (C.34:19-1 et seq.).

- 1 29. (New section) a. Within 60 days of the effective date of
2 P.L. , c. (C.) (pending before the Legislature as this bill),
3 there shall be established an Office of the Investigator General in,
4 but not of, the Delaware River and Bay Authority. Notwithstanding
5 this allocation, the office shall be independent of any supervision or
6 control by the authority, or the department or by any division,
7 board, office, or other officer thereof. The Investigator General
8 shall report directly to the Governor. The Investigator General shall
9 submit requests for the budget of the office directly to the Governor
10 who shall review the requests and forward them to the Division of
11 Budget and Accounting in the Department of the Treasury;
- 12 b. The Office of the Investigator General shall be administered
13 by the Investigator General. The Investigator General shall be
14 appointed by the Governor with the advice and consent of the
15 Senate. The Investigator General shall be a person qualified by
16 education, training, and prior work experience to direct the work of
17 the office and to perform the duties and functions and fulfill the
18 responsibilities of the position;
- 19 c. The Investigator General shall serve for one term of 10 years
20 and until a successor is appointed and has qualified. No person who
21 has served as Investigator General, including an unexpired term,
22 shall again be eligible to serve in the Office of the Investigator
23 General.
- 24 d. The Investigator General shall devote full time to the duties
25 and responsibilities of the office and shall receive a salary as shall
26 be provided pursuant to law.
- 27 e. During the term of office, the Investigator General may be
28 removed by the Governor only for cause upon notice and
29 opportunity to be heard.
- 30 f. A vacancy in the position of Investigator General due to a
31 cause other than the expiration of the term shall be filled for the
32 unexpired term only in the same manner as the original
33 appointment.
- 34 g. A person who holds the position of Investigator General
35 shall not be a candidate for, or hold, elective public office for a
36 period of two years immediately following the termination of that
37 person's service as Investigator General. No person who holds the
38 position of Investigator General, or any position of employment as
39 professional staff in the Office of Investigator General, while
40 holding any such office or position, shall:
- 41 (1) be a candidate for election to, or hold, any elective public
42 office or any office or position with any political party or club; or
43 (2) in connection with another individual's candidacy for public
44 office, sign or authorize the use of that person's name in connection
45 with political or campaign literature or material, or print, publish or
46 distribute such political or campaign literature or material.
- 47 h. (1) The Office of the Investigator General shall be
48 responsible for conducting, in accordance with subsection l. of this

1 section, routine, periodic, and random audits of the authority and
2 for conducting assessments of the performance and management of
3 programs of the authority and the extent to which they are achieving
4 their goals and objectives.

5 (2) The Investigator General shall establish the internal
6 organizational structure of the office and the bureaus therein in a
7 manner appropriate to carrying out the duties and functions, and
8 fulfilling the responsibilities, of the office. The Investigator
9 General shall have the power to appoint, employ, promote, and
10 remove such assistants, employees, and personnel as the
11 Investigator General deems necessary for the efficient and effective
12 administration of the office. All office assistants, employees, and
13 personnel shall be deemed confidential employees for purposes of
14 the "New Jersey Employer-Employee Relations Act," P.L.1941,
15 c.100 (C.34:13A-1 et seq.) and shall serve in the unclassified
16 service of the Civil Service.

17 i. Within the limits of funds appropriated for such purposes,
18 the Investigator General may obtain the services of certified public
19 accountants, qualified management consultants, and other
20 professionals necessary to independently perform the duties and
21 functions of the office.

22 j. The Investigator General is authorized to call upon any
23 department, office, or division of the authority to provide any
24 information, resources, or other assistance deemed necessary to
25 discharge the duties and functions and to fulfill the responsibilities
26 of the Investigator General under P.L. , c. (C.) (pending
27 before the Legislature as this bill). Each department, office,
28 division of the authority shall cooperate with the Investigator
29 General and furnish the office with the assistance necessary to
30 accomplish the purposes of P.L. , c. (C.) (pending before
31 the Legislature as this bill).

32 k. The Investigator General shall consolidate within the Office
33 of the Investigator General the coordination of the internal and
34 external audit functions, including but not limited to economy and
35 efficiency audits in the authority. The Investigator General is
36 authorized to:

37 (1) establish a full-time program of audit and performance
38 review, in accordance with subsection l. of this section, designed to
39 provide increased accountability, integrity, and oversight of the
40 authority; and

41 (2) audit and monitor the process of soliciting proposals for, and
42 the process of awarding, contracts made by the authority that
43 involve a significant consideration or expenditure of funds or are
44 comprised of complex or unique components, or both, as
45 determined by the Investigator General.

46 l. (1) The Investigator General shall have all the powers
47 necessary to carry out the duties and functions and to fulfill the
48 responsibilities described in this section, including the power to

1 conduct audits and reviews and propose and enforce remediation
2 plans for the authority, that are found by the Investigator General to
3 have deficient practices or procedures.

4 (2) The Investigator General shall conduct audits and reviews in
5 accordance with prevailing national and professional standards,
6 rules, and practices relating to such audits and reviews in
7 government environments, including the standards for performance
8 reviews utilized by the United States Government Accountability
9 Office or its successor, and the Investigator General shall ensure
10 that the office remains in compliance with such standards, rules,
11 and practices.

12 (3) The Investigator General shall undertake analysis and review
13 of the certified financial audits of the authority and of the
14 procedures used to conduct those audits. When the Investigator
15 General's analysis and review identifies weaknesses, inadequacies,
16 or failures in the authority's financial controls or concerns about the
17 quality or independence of the audits, the Investigator General shall
18 be authorized to undertake a financial audit or such other steps as
19 the Investigator General deems appropriate. In determining when to
20 proceed with a financial audit, the Investigator General may also
21 take into account information obtained pursuant to subsection q. of
22 P.L. , c. (C.) (pending before the Legislature as this bill);
23 referrals or recommendations from the authority; and assessments
24 or evaluations of the authority's management, performance, or
25 financial condition from federal or State government agencies.

26 m. The Investigator General shall establish objective criteria for
27 undertaking performance and other reviews authorized by
28 P.L. , c. (C.) (pending before the Legislature as this bill),
29 which criteria shall weigh relevant risk factors, including, but not
30 limited to:

- 31 (1) the size of the authority's budget;
- 32 (2) the authority's past performance;
- 33 (3) the frequency, scope, and quality of any audits or reviews
34 that have been performed regarding the authority's financial
35 condition or performance;
- 36 (4) assessments or evaluations of the authority's management,
37 performance, or financial condition; and
- 38 (5) other credible information which suggests the necessity of a
39 review.

40 n. The Investigator General shall provide guidance to units in
41 the authority that are required to engage outside auditors regarding
42 procurement of their services, the rotation of the providers of such
43 services, and the avoidance of possible conflicts of interest in the
44 hiring of outside auditors.

45 o. In carrying out the duties, functions and responsibilities of
46 the Office of the Investigator General under P.L. , c. (C.)
47 (pending before the Legislature as this bill), the Investigator

1 General shall not charge any costs incurred by the office against the
2 authority.

3 p. (1) The Investigator General shall establish a system that
4 shall ensure that any officers and employees of the authority who
5 perform audits, investigations, and performance reviews similar or
6 identical to those authorized to be performed by the Investigator
7 General shall conduct their audits, investigations, and reviews with
8 the consultation of, and in coordination and cooperation with, the
9 Investigator General.

10 (2) For the purpose of establishing and maintaining this system,
11 the Investigator General shall meet at periodic intervals, but at least
12 four times annually, with the officers or employees of the authority
13 deemed necessary to perform audits, investigations, and
14 performance reviews. The responsibility of all parties during these
15 meetings shall be to: facilitate communication and exchange
16 information on completed, current, and future audits, investigations,
17 and reviews; avoid duplication and fragmentation of efforts;
18 optimize the use of resources; avoid divisiveness and organizational
19 uncertainty; promote effective working relationships; and avoid the
20 unnecessary expenditure of public funds.

21 (3) To further ensure the consultation of, and coordination and
22 cooperation with, the Investigator General, the authority shall
23 promptly notify the Investigator General of any audits that have
24 been submitted to them that reveal any significant deficiencies.

25 q. (1) In furtherance of the duty of the Investigator General to
26 audit and monitor the process of soliciting proposals for, and the
27 process of awarding, contracts by contracting units which contracts
28 involve a significant consideration or expenditure of funds, the
29 authority shall provide notice to the Investigator General no later
30 than 20 business days after the award of a contract involving
31 consideration or an expenditure of more than \$2,000,000 but less
32 than \$10,000,000.

33 (2) The authority shall inform the Investigator General in
34 writing, in a form to be determined by the Investigator General, of
35 the commencement of any procurement process involving
36 consideration or an expenditure of \$10,000,000 or more at the
37 earliest time practicable as the authority commences the
38 procurement process, but no later than the time the authority
39 commences preparation of: any bid specification or request for
40 proposal; concession offering; proposal to purchase, sell, or lease
41 real estate; or other related activities and contracts.

42 r. The Office of Investigator General shall have the power to
43 issue subpoenas to compel attendance and testimony of persons and
44 the production of books, papers, correspondence, and other
45 documents. For this purpose, the office is empowered to administer
46 oaths and examine witnesses under oath, and compel any person to
47 produce at a specific time and place, by subpoena, any books,
48 papers, correspondence, and other documents that the office

1 reasonably believes may relate to the matter. If any person to
2 whom a subpoena is issued fails to appear or, having appeared,
3 refuses to give testimony, or fails to produce the books, papers,
4 correspondence, and other documents, the office may apply to the
5 Superior Court and the court may order the person to appear and
6 give testimony or produce the books, papers, correspondence, and
7 other documents as applicable. Failure to obey the court's order
8 may be punishable as contempt of court.

9 s. (1) The Investigator General shall report the findings of
10 audits and reviews performed by the office, and issue
11 recommendations for corrective or remedial action, to the Governor,
12 the President of the Senate, and the Speaker of the General
13 Assembly. The authority shall fully cooperate with the Investigator
14 General to develop recommendations for a corrective or remedial
15 action plan. The Investigator General shall monitor the
16 implementation of those recommendations and shall conduct a
17 subsequent review to determine whether there has been full
18 implementation and continued compliance with those
19 recommendations.

20 (2) The Investigator General shall report promptly to the
21 Governor, the President of the Senate, and the Speaker of the
22 General Assembly if the authority refuses to cooperate in
23 development of a corrective or remediation plan or to comply with a
24 plan.

25 (3) The Investigator General shall recommend that the Governor
26 initiate disciplinary proceedings against any official or employee of
27 the authority who impedes an audit, or who fails or refuses to
28 cooperate in the development of a corrective or remedial action plan
29 or to comply with a plan. The Governor may cause an investigation
30 to be made of the conduct of any such official or employee and may
31 require such official to submit to the Governor a written statement
32 or statements, under oath, of such information as the Governor may
33 call for relating to the official's or the employee's conduct alleged
34 by the Investigator General. After notice, the service of charges
35 and an opportunity to be heard at public hearing, the Governor may
36 remove any such official or employee for cause. Such official or
37 employee shall have the right of judicial review, on both the law
38 and the facts, in such manner as may be provided by law.

39 (4) The Investigator General shall provide periodic reports to
40 the Governor, and shall issue an annual report to the Governor and
41 submit that report to the Legislature pursuant to section 2 of
42 P.L.1991, c.164 (C.52:14-19.1), which shall be available to the
43 public. The reports shall include but shall not be limited to the
44 reporting of any programmatic deficiencies and weaknesses that the
45 Investigator General's audits, investigations, and reviews have
46 found, and detailing the efforts by, or the failure of, the authority to
47 implement a recommended plan for corrective or remedial action.

1 t. (1) The Investigator General is authorized to refer findings
2 that may constitute alleged criminal conduct to the Attorney
3 General of New Jersey or other appropriate prosecutorial authority.
4 In the course of conducting audits and performance reviews, the
5 Investigator General may refer matters for investigation to the
6 Attorney General of New Jersey or other appropriate authorities for
7 further civil or administrative action, with recommendations to
8 initiate actions to recover monies, to terminate contracts, or
9 temporarily or permanently debar any person from contracting with
10 or receiving funds from the authority.

11 (2) When the Investigator General refers a complaint alleging
12 criminal conduct to the Attorney General of New Jersey or other
13 appropriate prosecutorial authority and the Attorney General of
14 New Jersey or prosecutorial authority decides not to investigate or
15 prosecute the matter, the Attorney General of New Jersey or the
16 prosecutorial authority shall promptly notify the Investigator
17 General. The Attorney General of New Jersey or the prosecutorial
18 authority shall inform the Investigator General as to whether an
19 investigation is ongoing with regard to any matter so referred. The
20 Investigator General shall preserve the confidentiality of the
21 existence of any ongoing criminal investigation.

22 Upon completion of an investigation or, in a case where the
23 investigation leads to prosecution, upon completion of the
24 prosecution, the Attorney General of New Jersey or the
25 prosecutorial authority shall report promptly the findings and results
26 to the Investigator General. In the course of informing the
27 Investigator General, the Attorney General or prosecutorial
28 authority shall give full consideration to the authority, duties,
29 functions, and responsibilities of the Investigator General, the
30 public interest in disclosure, and the need for protecting the
31 confidentiality of complainants and informants.

32 (3) The Investigator General shall maintain a record of all
33 matters referred and the responses received and shall be authorized
34 to disclose information received as appropriate and as may be
35 necessary to resolve the matter referred, to the extent consistent
36 with the public interest in disclosure and the need for protecting the
37 confidentiality of complainants and informants and preserving the
38 confidentiality of ongoing criminal investigations.

39 u. (1) The authority shall provide full assistance and
40 cooperation with any audit, performance review, or contract review
41 by the Investigator General.

42 (2) The Investigator General shall have complete access to all
43 records of the authority, including all information deemed
44 confidential by the authority. Provided however, that any
45 information deemed confidential, shall directly relate to a program
46 or expenditure that is the subject of an audit, performance review,
47 or contract review by the Investigator General, and provided further
48 that if the authority provides the Investigator General with access to

1 information that is subject to a confidentiality agreement, the
2 authority shall promptly notify the parties to the agreement that the
3 information is being provided to the Investigator General.

4 (3) Whenever a person requests access to a record that the
5 Investigator General, during the course of an audit, investigation,
6 performance review, or contract review obtained from the authority,
7 which record was open for public inspection, examination, or
8 copying before the audit, investigation, or review commenced, the
9 authority shall comply with the request, provided that the request
10 does not in any way identify the record sought by means of a
11 reference to the Investigator General's audit or review or to an
12 investigation by the Investigator General, including, but not limited
13 to, a reference to a subpoena issued pursuant to such investigation.

14 (4) Private vendors or other persons contracting with or
15 receiving funds from the authority shall, upon request by the
16 Investigator General, provide the Investigator General with prompt
17 access to all relevant documents and information as a condition of
18 the contract and receipt of public monies. The Investigator General
19 shall not disclose any document or information to which access is
20 provided that is confidential or proprietary. If the Investigator
21 General finds that any person receiving funds from the authority
22 refuses to provide information upon the request of the Investigator
23 General, or otherwise impedes or fails to cooperate with any audit
24 or performance review, the Investigator General may recommend to
25 the authority that the person be subject to termination of their
26 contract, or temporarily or permanently debarred from contracting
27 with the authority.

28

29 30. (New section) The Governor is hereby authorized to apply
30 on behalf of the State of New Jersey to the Congress of the United
31 States for its consent and approval to the amendments to this
32 compact or agreement provided in sections 22 through 29 of
33 P.L. , c. (C.) (pending before the Legislature as this bill),
34 but in the absence of such consent and approval, the Delaware River
35 and Bay Authority shall have all the powers the State of Delaware
36 and the State of New Jersey may confer upon it without the consent
37 and approval of Congress.

38

39 31. (New section) The Governor is authorized to enter into a
40 supplemental compact or agreement, on behalf of the State of New
41 Jersey, with the Commonwealth of Pennsylvania supplementing the
42 compact or agreement between the Commonwealth of Pennsylvania
43 and the State of New Jersey entitled "Agreement Between the
44 Commonwealth of Pennsylvania and the State of New Jersey
45 creating the Delaware River Joint Toll Bridge Commission as a
46 body corporate and politic and defining its powers and duties," as
47 set forth in sections 32 through 38 of P.L. , c. (C.)
48 (pending before the Legislature as this bill).

1 32. (New section) a. Delaware River Joint Toll Bridge
2 Commission shall adopt a code of ethics applicable to each officer,
3 director, and employee of the commission that, at a minimum,
4 includes the applicable standards established in the ethics law of
5 both states.

6 b. Every officer, director, or employee shall participate in
7 training approved by the commission's Inspector General regarding
8 the person's ethical responsibilities.
9

10 33. (New section) a. Every member of the Delaware River
11 Joint Toll Bridge Commission's Board of Commissioners shall
12 perform each of their duties as a board member in good faith and
13 with that degree of diligence, care, and skill which an ordinarily
14 prudent person in similar position would exercise under similar
15 circumstances, and may take into consideration the views and
16 policies of any elected official or body, or other person, and
17 ultimately apply independent judgment in the best interest of the
18 commission, its mission, and the public.

19 b. At the time that the board member takes and subscribes the
20 oath of office, or within 60 days after the effective date of
21 P.L. , c. (C.) (pending before the Legislature as this bill)
22 if the board member has already taken and subscribed the oath of
23 office, execute an acknowledgement in which the board member
24 acknowledges that the board member understands the board
25 member's role, and fiduciary responsibilities as set forth in this
26 section, and acknowledges that the board member understands the
27 board member's duty of loyalty and care to the organization and
28 commitment to the authority's mission and the public interest.
29

30 34. (New section) The Delaware River Joint Toll Bridge
31 Commission shall be subject to the provisions of Pennsylvania's
32 Right to Know Law pursuant to 65 P.S. s.67.101 et seq., and to the
33 provisions of P.L.1963, c.73 (C.47:1A-1 et seq.), commonly known
34 as the open public records act, as selected by the person or entity
35 requesting the records.
36

37 35. (New section) The Delaware River Joint Toll Bridge
38 Commission shall be required to implement the recommendations
39 contained in any independent audit of the commission. If the Board
40 of Commissioners of the commission determines that any
41 recommendation contained in the independent audit cannot be
42 reasonably implemented, the board may petition the governors of
43 the Commonwealth of Pennsylvania and the State of New Jersey for
44 approval to delay or omit the implementation of any
45 recommendation. The governors shall be required to provide a
46 written response to a petition within 30 days of receipt. If the
47 commission fails to implement a recommendation contained in an
48 independent audit of the commission, and if it has not been granted

1 approval by the governors of Pennsylvania and New Jersey to delay
2 or omit the recommendation, the commission shall be prohibited
3 from issuing any additional bonds or securities until the
4 recommendation has been implemented or the commission has been
5 granted approval by the governors to omit or delay the
6 recommendation.

7
8 36. (New section) The Delaware River Joint Toll Bridge
9 Commission shall provide on its Internet website a copy of a sworn
10 and duly notarized financial disclosure statement for each member
11 of the Board of Commissioners of the commission. Each statement
12 shall include the following information:

- 13 a. the name and position of the commissioner;
- 14 b. any occupation, trade, business, profession, or employment
15 engaged in by the commissioner;
- 16 c. a list of all assets having a value of more than \$1,000, both
17 tangible and intangible, in which a direct or indirect interest is held
18 as of the date of the statement by the commissioner;
- 19 d. A list of all liabilities of the commissioner;
- 20 e. A list of all liabilities otherwise subject to disclosure which
21 have been forgiven by the creditor within 12 months of the
22 statement date;
- 23 f. A list of all sources of income of the commissioner,
24 including all directorships or other fiduciary positions for which
25 compensation has or will be claimed, all capital gains including a
26 description of the individual sources of such gains, all contractual
27 arrangements producing or expected to produce income, and all
28 honoraria, lecture fees, gifts, and other cash or non-cash gratuities,
29 and other miscellaneous sources of income including, but not
30 limited to, interest, dividends royalties, and rents;
- 31 g. A list of any offices, trusteeships, directorships, or positions
32 of any nature, whether compensated or uncompensated, held by the
33 commissioner with any firm, corporation, association, partnership,
34 or business; and
- 35 h. For every firm, corporation, association, partnership, or
36 business from which the commissioner has received any
37 compensation, a list of all clients who have paid the firm,
38 corporation, association, partnership, or business more than
39 \$10,000.

40 Each statement shall contain a certification by the commissioner
41 that the commissioner has read the statement, that to the best of the
42 commissioner's knowledge and belief it is true, correct, and
43 complete, and that the commissioner has not transferred and will
44 not transfer any asset, interest, or property for the purpose of
45 concealing it from disclosure while retaining an equitable interest
46 therein.

1 37. (New section) The employees of the Delaware River Joint
2 Toll Bridge Commission shall be subject to the provisions of the
3 "Conscientious Employee Protection Act," P.L.1986, c.105
4 (C.34:19-1 et seq.).

5
6 38. (New section) a. Within 60 days of the effective date of
7 P.L. , c. (C.) (pending before the Legislature as this bill),
8 there shall be established an Office of the Investigator General in,
9 but not of, the Delaware River Joint Toll Bridge Commission.
10 Notwithstanding this allocation, the office shall be independent of
11 any supervision or control by the commission, or the department or
12 by any division, board, office, or other officer thereof. The
13 Investigator General shall report directly to the Governor. The
14 Investigator General shall submit requests for the budget of the
15 office directly to the Governor who shall review the requests and
16 forward them to the Division of Budget and Accounting in the
17 Department of the Treasury;

18 b. The Office of the Investigator General shall be administered
19 by the Investigator General. The Investigator General shall be
20 appointed by the Governor with the advice and consent of the
21 Senate. The Investigator General appointed pursuant to this new
22 section may be the same person appointed by the Governor pursuant
23 to subsection b. of section 38 of P.L. , c. (C.) (pending
24 before the Legislature as this bill) to perform the functions and
25 duties of both positions. The Investigator General shall be a person
26 qualified by education, training, and prior work experience to direct
27 the work of the office and to perform the duties and functions and
28 fulfill the responsibilities of the position;

29 c. The Investigator General shall serve for one term of 10 years
30 and until a successor is appointed and has qualified. No person who
31 has served as Investigator General, including an unexpired term,
32 shall again be eligible to serve in the Office of the Investigator
33 General.

34 d. The Investigator General shall devote full time to the duties
35 and responsibilities of the office and shall receive a salary as shall
36 be provided pursuant to law.

37 e. During the term of office, the Investigator General may be
38 removed by the Governor only for cause upon notice and
39 opportunity to be heard.

40 f. A vacancy in the position of Investigator General due to a
41 cause other than the expiration of the term shall be filled for the
42 unexpired term only in the same manner as the original
43 appointment.

44 g. A person who holds the position of Investigator General
45 shall not be a candidate for, or hold, elective public office for a
46 period of two years immediately following the termination of that
47 person's service as Investigator General. No person who holds the
48 position of Investigator General, or any position of employment as

1 professional staff in the Office of Investigator General, while
2 holding any such office or position, shall:

3 (1) be a candidate for election to, or hold, any elective public
4 office or any office or position with any political party or club; or

5 (2) in connection with another individual's candidacy for public
6 office, sign or authorize the use of that person's name in connection
7 with political or campaign literature or material, or print, publish or
8 distribute such political or campaign literature or material.

9 h. (1) The Office of the Investigator General shall be
10 responsible for conducting, in accordance with subsection l. of this
11 section, routine, periodic, and random audits of the commission and
12 for conducting assessments of the performance and management of
13 programs of the commission and the extent to which they are
14 achieving their goals and objectives.

15 (2) The Investigator General shall establish the internal
16 organizational structure of the office and the bureaus therein in a
17 manner appropriate to carrying out the duties and functions, and
18 fulfilling the responsibilities, of the office. The Investigator
19 General shall have the power to appoint, employ, promote, and
20 remove such assistants, employees, and personnel as the
21 Investigator General deems necessary for the efficient and effective
22 administration of the office. All office assistants, employees, and
23 personnel shall be deemed confidential employees for purposes of
24 the "New Jersey Employer-Employee Relations Act," P.L.1941,
25 c.100 (C.34:13A-1 et seq.) and shall serve in the unclassified
26 service of the Civil Service.

27 i. Within the limits of funds appropriated for such purposes,
28 the Investigator General may obtain the services of certified public
29 accountants, qualified management consultants, and other
30 professionals necessary to independently perform the duties and
31 functions of the office.

32 j. The Investigator General is authorized to call upon any
33 department, office, or division of the authority to provide any
34 information, resources, or other assistance deemed necessary to
35 discharge the duties and functions and to fulfill the responsibilities
36 of the Investigator General under P.L. , c. (C.) (pending
37 before the Legislature as this bill). Each department, office,
38 division of the commission shall cooperate with the Investigator
39 General and furnish the office with the assistance necessary to
40 accomplish the purposes of P.L. , c. (C.) (pending before
41 the Legislature as this bill).

42 k. The Investigator General shall consolidate within the Office
43 of the Investigator General the coordination of the internal and
44 external audit functions, including but not limited to economy and
45 efficiency audits in the authority. The Investigator General is
46 authorized to:

47 (1) establish a full-time program of audit and performance
48 review, in accordance with subsection l. of this section, designed to

1 provide increased accountability, integrity, and oversight of the
2 authority; and

3 (2) audit and monitor the process of soliciting proposals for, and
4 the process of awarding, contracts made by the commission that
5 involve a significant consideration or expenditure of funds or are
6 comprised of complex or unique components, or both, as
7 determined by the Investigator General.

8 l. (1) The Investigator General shall have all the powers
9 necessary to carry out the duties and functions and to fulfill the
10 responsibilities described in this section, including the power to
11 conduct audits and reviews and propose and enforce remediation
12 plans for the authority, that are found by the Investigator General to
13 have deficient practices or procedures.

14 (2) The Investigator General shall conduct audits and reviews in
15 accordance with prevailing national and professional standards,
16 rules, and practices relating to such audits and reviews in
17 government environments, including the standards for performance
18 reviews utilized by the United States Government Accountability
19 Office or its successor, and the Investigator General shall ensure
20 that the office remains in compliance with such standards, rules,
21 and practices.

22 (3) The Investigator General shall undertake analysis and review
23 of the certified financial audits of the commission and of the
24 procedures used to conduct those audits. When the Investigator
25 General's analysis and review identifies weaknesses, inadequacies,
26 or failures in the authority's financial controls or concerns about the
27 quality or independence of the audits, the Investigator General shall
28 be authorized to undertake a financial audit or such other steps as
29 the Investigator General deems appropriate. In determining when to
30 proceed with a financial audit, the Investigator General may also
31 take into account information obtained pursuant to subsection q. of
32 P.L. , c. (C.) (pending before the Legislature as this bill);
33 referrals or recommendations from the authority; and assessments
34 or evaluations of the authority's management, performance, or
35 financial condition from federal or State government agencies.

36 m. The Investigator General shall establish objective criteria for
37 undertaking performance and other reviews authorized by
38 P.L. , c. (C.) (pending before the Legislature as this bill),
39 which criteria shall weigh relevant risk factors, including, but not
40 limited to:

41 (1) the size of the authority's budget;

42 (2) the authority's past performance;

43 (3) the frequency, scope, and quality of any audits or reviews
44 that have been performed regarding the authority's financial
45 condition or performance;

46 (4) assessments or evaluations of the authority's management,
47 performance, or financial condition; and

1 (5) other credible information which suggests the necessity of a
2 review.

3 n. The Investigator General shall provide guidance to units in
4 the commission that are required to engage outside auditors
5 regarding procurement of their services, the rotation of the
6 providers of such services, and the avoidance of possible conflicts
7 of interest in the hiring of outside auditors.

8 o. In carrying out the duties, functions, and responsibilities of
9 the Office of the Investigator General under P.L. , c. (C.)
10 (pending before the Legislature as this bill), the Investigator
11 General shall not charge any costs incurred by the office against the
12 authority.

13 p. (1) The Investigator General shall establish a system that
14 shall ensure that any officers and employees of the commission who
15 perform audits, investigations, and performance reviews similar or
16 identical to those authorized to be performed by the Investigator
17 General shall conduct their audits, investigations, and reviews with
18 the consultation of, and in coordination and cooperation with, the
19 Investigator General.

20 (2) For the purpose of establishing and maintaining this system,
21 the Investigator General shall meet at periodic intervals, but at least
22 four times annually, with the officers or employees of the
23 commission deemed necessary to perform audits, investigations,
24 and performance reviews. The responsibility of all parties during
25 these meetings shall be to: facilitate communication and exchange
26 information on completed, current, and future audits, investigations,
27 and reviews; avoid duplication and fragmentation of efforts;
28 optimize the use of resources; avoid divisiveness and organizational
29 uncertainty; promote effective working relationships; and avoid the
30 unnecessary expenditure of public funds.

31 (3) To further ensure the consultation of, and coordination and
32 cooperation with, the Investigator General, the commission shall
33 promptly notify the Investigator General of any audits that have
34 been submitted to them that reveal any significant deficiencies.

35 q. (1) In furtherance of the duty of the Investigator General to
36 audit and monitor the process of soliciting proposals for, and the
37 process of awarding, contracts by contracting units which contracts
38 involve a significant consideration or expenditure of funds, the
39 commission shall provide notice to the Investigator General no later
40 than 20 business days after the award of a contract involving
41 consideration or an expenditure of more than \$2,000,000 but less
42 than \$10,000,000.

43 (2) The commission shall inform the Investigator General in
44 writing, in a form to be determined by the Investigator General, of
45 the commencement of any procurement process involving
46 consideration or an expenditure of \$10,000,000 or more at the
47 earliest time practicable as the commission commences the
48 procurement process, but no later than the time the commission

1 commences preparation of: any bid specification or request for
2 proposal; concession offering; proposal to purchase, sell, or lease
3 real estate; or other related activities and contracts.

4 r. The Office of Investigator General shall have the power to
5 issue subpoenas to compel attendance and testimony of persons and
6 the production of books, papers, correspondence, and other
7 documents. For this purpose, the office is empowered to administer
8 oaths and examine witnesses under oath, and compel any person to
9 produce at a specific time and place, by subpoena, any books,
10 papers, correspondence, and other documents that the office
11 reasonably believes may relate to the matter. If any person to
12 whom a subpoena is issued fails to appear or, having appeared,
13 refuses to give testimony, or fails to produce the books, papers,
14 correspondence, and other documents, the office may apply to the
15 Superior Court and the court may order the person to appear and
16 give testimony or produce the books, papers, correspondence, and
17 other documents as applicable. Failure to obey the court's order
18 may be punishable as contempt of court.

19 s. (1) The Investigator General shall report the findings of
20 audits and reviews performed by the office, and issue
21 recommendations for corrective or remedial action, to the Governor,
22 the President of the Senate, and the Speaker of the General
23 Assembly. The commission shall fully cooperate with the
24 Investigator General to develop recommendations for a corrective
25 or remedial action plan. The Investigator General shall monitor the
26 implementation of those recommendations and shall conduct a
27 subsequent review to determine whether there has been full
28 implementation and continued compliance with those
29 recommendations.

30 (2) The Investigator General shall report promptly to the
31 Governor, the President of the Senate, and the Speaker of the
32 General Assembly if the commission refuses to cooperate in
33 development of a corrective or remediation plan or to comply with a
34 plan.

35 (3) The Investigator General shall recommend that the Governor
36 initiate disciplinary proceedings against any official or employee of
37 the commission who impedes an audit, or who fails or refuses to
38 cooperate in the development of a corrective or remedial action plan
39 or to comply with a plan. The Governor may cause an investigation
40 to be made of the conduct of any such official or employee and may
41 require such official to submit to the Governor a written statement
42 or statements, under oath, of such information as the Governor may
43 call for relating to the official's or the employee's conduct alleged
44 by the Investigator General. After notice, the service of charges
45 and an opportunity to be heard at public hearing, the Governor may
46 remove any such official or employee for cause. Such official or
47 employee shall have the right of judicial review, on both the law
48 and the facts, in such manner as may be provided by law.

1 (4) The Investigator General shall provide periodic reports to
2 the Governor, and shall issue an annual report to the Governor and
3 submit that report to the Legislature pursuant to section 2 of
4 P.L.1991, c.164 (C.52:14-19.1), which shall be available to the
5 public. The reports shall include but shall not be limited to the
6 reporting of any programmatic deficiencies and weaknesses that the
7 Investigator General's audits, investigations, and reviews have
8 found, and detailing the efforts by, or the failure of, the commission
9 to implement a recommended plan for corrective or remedial action.

10 t. (1) The Investigator General is authorized to refer findings
11 that may constitute alleged criminal conduct to the Attorney
12 General of New Jersey or other appropriate prosecutorial authority.
13 In the course of conducting audits and performance reviews, the
14 Investigator General may refer matters for investigation to the
15 Attorney General of New Jersey or other appropriate authorities for
16 further civil or administrative action, with recommendations to
17 initiate actions to recover monies, to terminate contracts, or
18 temporarily or permanently debar any person from contracting with
19 or receiving funds from the authority.

20 (2) When the Investigator General refers a complaint alleging
21 criminal conduct to the Attorney General of New Jersey or other
22 appropriate prosecutorial authority and the Attorney General of
23 New Jersey or prosecutorial authority decides not to investigate or
24 prosecute the matter, the Attorney General or the prosecutorial
25 authority shall promptly notify the State Comptroller and the State
26 Inspector General. The Attorney General of New Jersey or the
27 prosecutorial authority shall inform the Investigator General as to
28 whether an investigation is ongoing with regard to any matter so
29 referred. The Investigator General shall preserve the confidentiality
30 of the existence of any ongoing criminal investigation.

31 Upon completion of an investigation or, in a case where the
32 investigation leads to prosecution, upon completion of the
33 prosecution, the Attorney General or the prosecutorial authority
34 shall report promptly the findings and results to the Investigator
35 General. In the course of informing the Investigator General, the
36 Attorney General or prosecutorial authority shall give full
37 consideration to the authority, duties, functions, and responsibilities
38 of the Investigator General, the public interest in disclosure, and the
39 need for protecting the confidentiality of complainants and
40 informants.

41 (3) The Investigator General shall maintain a record of all
42 matters referred and the responses received and shall be authorized
43 to disclose information received as appropriate and as may be
44 necessary to resolve the matter referred, to the extent consistent
45 with the public interest in disclosure and the need for protecting the
46 confidentiality of complainants and informants and preserving the
47 confidentiality of ongoing criminal investigations.

1 u. (1) The commission shall provide full assistance and
2 cooperation with any audit, performance review, or contract review
3 by the Investigator General.

4 (2) The Investigator General shall have complete access to all
5 records of the authority, including all information deemed
6 confidential by the authority. Provided however, that any
7 information deemed confidential, shall directly relate to a program
8 or expenditure that is the subject of an audit, performance review,
9 or contract review by the Investigator General, and provided further
10 that if the commission provides the Investigator General with access
11 to information that is subject to a confidentiality agreement, the
12 commission shall promptly notify the parties to the agreement that
13 the information is being provided to the Investigator General.

14 (3) Whenever a person requests access to a record that the
15 Investigator General, during the course of an audit, investigation,
16 performance review, or contract review obtained from the authority,
17 which record was open for public inspection, examination, or
18 copying before the audit, investigation, or review commenced, the
19 commission shall comply with the request, provided that the request
20 does not in any way identify the record sought by means of a
21 reference to the Investigator General's audit or review or to an
22 investigation by the Investigator General, including, but not limited
23 to, a reference to a subpoena issued pursuant to such investigation.

24 (4) Private vendors or other persons contracting with or
25 receiving funds from the commission shall, upon request by the
26 Investigator General, provide the Investigator General with prompt
27 access to all relevant documents and information as a condition of
28 the contract and receipt of public monies. The Investigator General
29 shall not disclose any document or information to which access is
30 provided that is confidential or proprietary. If the Investigator
31 General finds that any person receiving funds from the commission
32 refuses to provide information upon the request of the Investigator
33 General, or otherwise impedes or fails to cooperate with any audit
34 or performance review, the Investigator General may recommend to
35 the commission that the person be subject to termination of their
36 contract, or temporarily or permanently debarred from contracting
37 with the authority.

38
39 39. (New section) The Governor is hereby authorized to apply
40 on behalf of the State of New Jersey to the Congress of the United
41 States for its consent and approval to the amendments to this
42 compact or agreement provided in sections 31 through 38 of
43 P.L. , c. (C.) (pending before the Legislature as this
44 bill), but in the absence of such consent and approval, the Delaware
45 River Joint Toll Bridge Commission shall have all the powers the
46 Commonwealth of Pennsylvania and the State of New Jersey may
47 confer upon it without the consent and approval of Congress.

1 40. a. Sections 1 through 3 of this act shall take effect
2 immediately.

3 b. Sections 4 through 12 of this act shall take effect upon the
4 enactment into law by the State of New York of legislation having
5 an identical effect as sections 4 through 12 of this act; but if the
6 State of New York shall already have enacted such legislation,
7 sections 4 through 12 of this act shall take effect immediately.

8 c. Sections 13 through 21 of this act shall take effect upon the
9 enactment into law by the Commonwealth of Pennsylvania of
10 legislation having an identical effect as sections 13 through 21 of
11 this act; but if the Commonwealth of Pennsylvania shall already
12 have enacted such legislation, sections 13 through 21 of this act
13 shall take effect immediately.

14 d. Sections 22 through 30 of this act shall take effect upon the
15 enactment into law by the State of Delaware of legislation having
16 an identical effect AS sections 22 through 30 of this act; but if the
17 State of Delaware shall already have enacted such legislation,
18 sections 22 through 30 of this act shall take effect immediately.

19

20

21

STATEMENT

22

23 This bill requires the Port Authority of New York and New
24 Jersey, Delaware River Port Authority, Delaware River and Bay
25 Authority, and Delaware River Joint Toll Bridge Commission to
26 adopt various good governance reforms.

27 The bill requires the authorities to adopt a code of ethics
28 applicable to each officer, director, and employee of the authority
29 that, at a minimum, includes the applicable standards established in
30 the ethics law of both states. Any person appointed to the authority
31 is required to participate in training approved by the authority's
32 Inspector General regarding the person's ethical responsibilities.

33 In addition, the bill requires every member of the authority's
34 board of commissioners to execute an acknowledgement that the
35 board member understands the member's role and fiduciary
36 responsibilities and that the member has a duty of loyalty and care
37 to the authority, its mission, and the public interest.

38 The bill subjects each authority to the freedom of information
39 law of both of the states which created the authority and to New
40 Jersey's Conscientious Employee Protection Act.

41 Additionally, the bill requires the authorities to implement the
42 recommendations contained in any independent audit of the
43 authority. If the authority determines that any recommendation
44 contained in the independent audit is not reasonably able to be
45 implemented, the authority may petition the governors of the
46 authorizing states for approval to delay or omit the implementation
47 of any recommendation. The governors are required to provide a
48 written response to a petition within 30 days of receipt. If the

1 authority fails to implement a recommendation contained in an
2 independent audit of the authority, and if it has not been granted
3 approval by both governors to delay or omit the recommendation,
4 the authority is prohibited from issuing any additional bonds or
5 securities until the recommendation has been implemented or the
6 authority has been granted approval by the governors to omit or
7 delay the recommendation.

8 The bill provides that each authority provide on its internet
9 website a copy of a sworn and duly notarized financial disclosure
10 statement for each member of its board of commissioners. The
11 financial statement is to include, for every entity from which a
12 commissioner has received any compensation, a list of all clients of
13 the entity who have paid it more than \$10,000.

14 Finally, this bill establishes an Office of the Investigator General
15 (office) within each of four bi-state authorities. The office is to be
16 directed by an Investigator General who is to be appointed by the
17 Governor with the advice and consent of the Senate. The Governor
18 may appoint one person to serve as the Inspector General to both
19 the Delaware River Port Authority and the Delaware River Joint
20 Toll Bridge Commission. The Investigator General is to be
21 qualified by education, training, and prior work experience to direct
22 the work of the office and to perform the duties and functions and
23 fulfill the responsibilities of the position. The Investigator General
24 is to serve for one term of 10 years and until a successor is
25 appointed and has qualified. The Investigator General is to devote
26 full time to the duties and responsibilities of the office and shall
27 receive a salary as shall be provided pursuant to law.

28 The bill provides the powers and duties of the office which is to
29 be responsible for conducting routine, periodic, and random audits
30 of the authority and for conducting assessments of the performance
31 and management of programs of the authority and the extent to
32 which they are achieving their goals and objectives.

33 The bill authorizes the Investigator General to: 1) establish a
34 full-time program of audit and performance review, designed to
35 provide increased accountability, integrity, and oversight of the
36 authority; and 2) audit and monitor the process of soliciting
37 proposals for, and the process of awarding, contracts made by the
38 authority that involve a significant consideration or expenditure of
39 funds or are comprised of complex or unique components, or both,
40 as determined by the Investigator General.

41 The bill gives the Investigator General the power to conduct
42 audits and reviews and propose and enforce remediation plans for
43 the authority, that are found by the Investigator General to have
44 deficient practices or procedures. The Investigator General is to
45 conduct audits and reviews in accordance with prevailing national
46 and professional standards, rules, and practices relating to those
47 audits and reviews in government environments, including the
48 standards for performance reviews utilized by the United States

1 Government Accountability Office or its successor, and the
2 Investigator General shall ensure that the office remains in
3 compliance with those standards, rules, and practices.

4 The Investigator General is to establish objective criteria for
5 undertaking performance and other reviews authorized by the bill,
6 which criteria shall weigh relevant risk factors, including, but not
7 limited to: (1) the size of the authority's budget, (2) the authority's
8 past performance, (3) the frequency, scope, and quality of any
9 audits or reviews that have been performed regarding the authority's
10 financial condition or performance, (4) assessments or evaluations
11 of the authority's management, performance or financial condition,
12 and (5) other credible information which suggests the necessity of a
13 review.

14 In carrying out the duties, functions and responsibilities of the
15 office, the Investigator General is not allowed to charge any costs
16 incurred by the office against the authority.

17 The bill empowers the office to issue subpoenas to compel
18 attendance and testimony of persons and the production of books,
19 papers, correspondence, and other documents in its investigations of
20 any allegations of fraud, corruption, waste, and abuse at the
21 authority.

22 The Investigator General is to report the findings of audits and
23 reviews performed by the office, and issue recommendations for
24 corrective or remedial action, to the Governor, the President of the
25 Senate and the Speaker of the General Assembly. The authority is
26 to fully cooperate with the Investigator General to develop
27 recommendations for a corrective or remedial action plan. The
28 Investigator General is to monitor the implementation of those
29 recommendations and conduct a subsequent review to determine
30 whether there has been full implementation and continued
31 compliance with those recommendations.