

HOUSE BILL NO. 1344

Introduced by

Representatives Kempenich, Hatlestad, Kreidt

1 A BILL for an Act to amend and reenact section 44-08-05.1 of the North Dakota Century Code,
2 relating to the reporting by any public officer, employee, or any other individual who has
3 knowledge of an actual or possible law violation; and to provide for application.

4 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

5 **SECTION 1. AMENDMENT.** Section 44-08-05.1 of the North Dakota Century Code is
6 amended and reenacted as follows:

7 **44-08-05.1. Payments - Purchasing card authority - Application - Penalty.**

- 8 1. Any public officer or employee who has the power to approve a payment for travel
9 expenses or any other expenditure of public funds shall determine before approving
10 the payment:
- 11 a. That the expenditure for travel or other expenditures were for lawful and official
12 purposes.
 - 13 b. If for employee travel reimbursement, the sums claimed for travel expenses are
14 actually due the individual who is seeking reimbursement, allowance, or
15 payment.
 - 16 c. If the payment is for expenditure other than travel expense, that the expenditure
17 is lawful and that the payment contains no false claims.
- 18 2. The director of the office of management and budget, the state board of higher
19 education, the governing body of any political subdivision, and the board of any school
20 district may establish and administer a purchasing card system for use by its officers,
21 employees, representatives, or agents. If the director of the office of management and
22 budget establishes a cooperative purchasing contract under section 54-44.4-13, each
23 participating government entity is responsible for its purchasing card system.

- 1 3. An employee of the office of management and budget designated by the director of
2 the office of management and budget, on behalf of all state agencies, may review and
3 approve payments made with a purchasing card and make payments. The director of
4 the office of management and budget may designate the state agencies that are
5 required to use the purchasing card system.
- 6 4. Any public officer or employee who fraudulently uses a purchasing card or knowingly
7 approves a payment for false or unlawful claims or which does not otherwise meet the
8 requirements of this section for approval may be subject to criminal prosecution under
9 title 12.1. Any public officer or employee who, without the use of ordinary care and
10 diligence, uses a purchasing card or approves a payment for false or unlawful claims
11 or which does not otherwise meet the requirements of this section for approval is
12 personally liable for any funds improperly expended.
- 13 5. Any public officer, employee, or any other individual who has knowledge of an actual
14 or possible violation of this section shall make that information known to the attorney
15 general or the appropriate state's attorney. The attorney general or appropriate state's
16 attorney ~~shall~~may investigate any alleged violation. If there is probable cause to
17 believe that a violation has occurred, the attorney general or appropriate state's
18 attorney shall initiate a criminal prosecution under title 12.1 or a civil suit against the
19 public officer or employee for the recovery of the funds as may actually have been
20 improperly paid, or may initiate a prosecution and a civil suit. This subsection does not
21 apply to the state auditor, an employee of the state auditor, or anyone contracted to
22 conduct an audit at the direction of the state auditor when the knowledge of an actual
23 or possible violation of this section is discovered as part of an audit.
- 24 6. The state auditor, an employee of the state auditor, or anyone contracted to conduct
25 an audit at the direction of the state auditor shall report any actual or possible violation
26 of this section discovered as part of an audit to the legislative audit and fiscal review
27 committee for consideration of further investigation under section 54-35-02.2.