

By: Ellis

S.B. No. 145

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the creation of the corporate integrity unit within the
3 office of the attorney general.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Subchapter B, Chapter 402, Government Code, is
6 amended by adding Section 402.0231 to read as follows:

7 Sec. 402.0231. CORPORATE INTEGRITY UNIT. (a) In this
8 section, "corporate fraud" means a violation of state or federal
9 law or rules relating to fraud committed by a corporation, limited
10 liability company, or registered limited liability partnership or
11 an officer, director, or partner of those entities while acting in a
12 representative capacity.

13 (b) A corporate integrity unit is created within the office
14 of the attorney general to assist in the enforcement of the laws
15 relating to corporate fraud or other similar illegal activities.

16 The office shall:

17 (1) assist district attorneys and county attorneys in
18 the investigation and prosecution of corporate fraud or other
19 similar illegal activities allegedly committed by corporations,
20 limited liability companies, and registered limited liability
21 partnerships;

22 (2) assist state agencies with investigation of
23 complaints and administrative enforcement actions for corporate
24 fraud violations, including the assessment of an administrative

1 penalty or other administrative sanction;

2 (3) serve as a clearinghouse for information relating
3 to the investigation and prosecution of corporate fraud and other
4 similar illegal activities in this state; and

5 (4) maintain a hotline to receive calls from persons
6 who have information regarding possible corporate fraud violations
7 and other similar illegal activities.

8 (c) To the extent allowed by law, a state agency or local law
9 enforcement agency shall cooperate with the corporate integrity
10 unit by providing information requested by the unit as necessary to
11 carry out the purposes of this section.

12 (d) The corporate integrity unit shall refer calls received
13 on the hotline to the appropriate governmental entity for review or
14 further action, including a possible investigation.

15 SECTION 2. This Act takes effect September 1, 2003.