

AN ACT

relating to the prevention, detection, and investigation of fraud, waste, and abuse in programs administered by the Texas Workforce Commission or by the commission's contractors or grantees.

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

SECTION 1. Chapter 301, Labor Code, is amended by adding Subchapter L to read as follows:

SUBCHAPTER L. PREVENTION, DETECTION, AND INVESTIGATION OF FRAUD, WASTE, AND ABUSE IN COMMISSION PROGRAMS

Sec. 301.201. PREVENTION, DETECTION, AND INVESTIGATION OF FRAUD, WASTE, AND ABUSE. (a) The commission shall develop:

(1) procedures to prevent, detect, and investigate fraud, waste, and abuse in programs administered:

(A) by the commission;

(B) under contract with the commission; or

(C) by a person awarded a grant by the commission;

(2) systems to detect fraud, waste, and abuse in the administration, provision, and delivery of programs described by Subdivision (1); and

(3) methods for a person to report to the commission fraud, waste, or abuse in the delivery of programs described by Subdivision (1), including an option for:

(A) reporting through the commission's publicly

1 available Internet website; and

2 (B) anonymous reporting by an employee of the
3 commission.

4 (b) The commission may obtain any information or technology
5 necessary to enable the commission to meet its responsibilities
6 under this subchapter or other law in regard to the prevention,
7 detection, and investigation of fraud, waste, and abuse in
8 commission programs.

9 (c) Not later than September 1 of each year, the commission
10 shall submit to the legislature a written report that includes for
11 each report of fraud, waste, or abuse in a program described by
12 Subsection (a)(1) received by the commission under this section in
13 the most recent calendar year:

14 (1) a copy of the report;

15 (2) any findings made by the commission in
16 investigating the report; and

17 (3) if fraud, waste, or abuse was found in
18 investigating the report, any actions taken by the commission to
19 resolve the matter.

20 (d) The commission may not terminate or otherwise retaliate
21 against an employee who in good faith reports to the commission
22 under this section fraud, waste, or abuse in the delivery of
23 programs described by Subsection (a)(1).

24 SECTION 2. The Texas Workforce Commission shall submit the
25 initial report required by Section 301.201(c), Labor Code, as added
26 by this Act, not later than September 1, 2026.

27 SECTION 3. This Act takes effect September 1, 2025.

H.B. No. 3700

President of the Senate

Speaker of the House

I certify that H.B. No. 3700 was passed by the House on April 23, 2025, by the following vote: Yeas 147, Nays 0, 2 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 3700 was passed by the Senate on May 19, 2025, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor