

1-1 By: Vo, et al. (Senate Sponsor - King, et al.) H.B. No. 3700
1-2 (In the Senate - Received from the House April 23, 2025;
1-3 April 28, 2025, read first time and referred to Committee on
1-4 Economic Development; May 14, 2025, reported favorably by the
1-5 following vote: Yeas 5, Nays 0; May 14, 2025, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7 King	X			
1-8 Sparks	X			
1-9 Alvarado	X			
1-10 Johnson	X			
1-11 Schwertner	X			

1-13 A BILL TO BE ENTITLED
1-14 AN ACT

1-15 relating to the prevention, detection, and investigation of fraud,
1-16 waste, and abuse in programs administered by the Texas Workforce
1-17 Commission or by the commission's contractors or grantees.

1-18 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-19 SECTION 1. Chapter 301, Labor Code, is amended by adding
1-20 Subchapter L to read as follows:

1-21 SUBCHAPTER L. PREVENTION, DETECTION, AND INVESTIGATION OF FRAUD,
1-22 WASTE, AND ABUSE IN COMMISSION PROGRAMS

1-23 Sec. 301.201. PREVENTION, DETECTION, AND INVESTIGATION OF
1-24 FRAUD, WASTE, AND ABUSE. (a) The commission shall develop:

1-25 (1) procedures to prevent, detect, and investigate
1-26 fraud, waste, and abuse in programs administered:

1-27 (A) by the commission;

1-28 (B) under contract with the commission; or

1-29 (C) by a person awarded a grant by the
1-30 commission;

1-31 (2) systems to detect fraud, waste, and abuse in the
1-32 administration, provision, and delivery of programs described by
1-33 Subdivision (1); and

1-34 (3) methods for a person to report to the commission
1-35 fraud, waste, or abuse in the delivery of programs described by
1-36 Subdivision (1), including an option for:

1-37 (A) reporting through the commission's publicly
1-38 available Internet website; and

1-39 (B) anonymous reporting by an employee of the
1-40 commission.

1-41 (b) The commission may obtain any information or technology
1-42 necessary to enable the commission to meet its responsibilities
1-43 under this subchapter or other law in regard to the prevention,
1-44 detection, and investigation of fraud, waste, and abuse in
1-45 commission programs.

1-46 (c) Not later than September 1 of each year, the commission
1-47 shall submit to the legislature a written report that includes for
1-48 each report of fraud, waste, or abuse in a program described by
1-49 Subsection (a)(1) received by the commission under this section in
1-50 the most recent calendar year:

1-51 (1) a copy of the report;

1-52 (2) any findings made by the commission in
1-53 investigating the report; and

1-54 (3) if fraud, waste, or abuse was found in
1-55 investigating the report, any actions taken by the commission to
1-56 resolve the matter.

1-57 (d) The commission may not terminate or otherwise retaliate
1-58 against an employee who in good faith reports to the commission
1-59 under this section fraud, waste, or abuse in the delivery of
1-60 programs described by Subsection (a)(1).

1-61 SECTION 2. The Texas Workforce Commission shall submit the

2-1 initial report required by Section 301.201(c), Labor Code, as added
2-2 by this Act, not later than September 1, 2026.
2-3 SECTION 3. This Act takes effect September 1, 2025.

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