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HOUSE BILL NO. 1507

Offered January 23, 2026

A BILL to amend and reenact § 2.2-3010 of the Code of Virginia and to amend the Code of Virginia by adding sections numbered 2.2-3009.1, 2.2-3013.1, and 30-134.1, relating to Fraud and Abuse Whistle Blower Protection Act; Auditor of Public Accounts.

Patron—Phillips

Referred to Committee on General Laws

Be it enacted by the General Assembly of Virginia:

1. That § 2.2-3010 of the Code of Virginia is amended and reenacted and that the Code of Virginia is amended by adding sections numbered 2.2-3009.1, 2.2-3013.1, and 30-134.1 as follows:

§ 2.2-3009.1. Legislative findings; fiduciary responsibility of the Commonwealth.

The General Assembly finds that:

1. The Commonwealth of Virginia has a fiduciary responsibility to protect its citizens and taxpayers through the lawful and responsible stewardship of public funds;

2. Local governments administer and expend substantial state-appropriated and state-administered funds, including funding for education, transportation, public safety, and other programs;

3. Misuse, waste, or abuse of such funds at the local level ultimately results in financial harm to the citizens of the Commonwealth;

4. The Fraud and Abuse Whistle Blower Protection Act is intended to safeguard public resources and whistle blowers at all levels of government; and

5. Clear, accessible state-level reporting options are necessary to ensure these protections are effective when internal reporting mechanisms are ineffective or compromised.

§ 2.2-3010. Definitions.

As used in this chapter:

"Abuse" means an employer's or employee's conduct or omissions that result in substantial misuse, destruction, waste, or loss of funds or resources belonging to or derived from federal, state, or local government sources.

"Appropriate authority" means a federal, state, or local agency or organization having jurisdiction over criminal law enforcement, regulatory violations, professional conduct or ethics, or abuse; or a member, officer, agent, representative, or supervisory employee of the agency or organization. ~~The term~~ "Appropriate authority" also includes the Office of the Attorney General, the Office of the State Inspector General, the Auditor of Public Accounts, and the General Assembly and its committees having the power and duty to investigate criminal law enforcement, regulatory violations, professional conduct or ethics, or abuse.

"Employee" means any person who is regularly employed full time on either a salaried or wage basis, whose tenure is not restricted as to temporary or provisional appointment, in the service of and whose compensation is payable, no more often than biweekly, in whole or in part, by a governmental agency.

"Employer" means a person supervising one or more employees, including the employee filing a good faith report, a superior of that supervisor, or an agent of the governmental agency.

"Good faith report" means a report of conduct defined in this chapter as wrongdoing or abuse that is made without malice and that the person making the report has reasonable cause to believe is true.

"Governmental agency" means (i) any agency, institution, board, bureau, commission, council, or instrumentality of state government in the executive branch listed in the appropriation act and any independent agency; (ii) any county, city, or town or local or regional governmental authority; and (iii) any local school division as defined in § 22.1-280.2:2.

"Local government employee" means any employee of a county, city, town, or constitutional office.

"Misconduct" means conduct or behavior by an employee that is inconsistent with state, local, or agency standards for which specific corrective or disciplinary action is warranted.

"Whistle blower" means an employee who witnesses or has evidence of wrongdoing or abuse and who makes or demonstrates by clear and convincing evidence that he is about to make a good faith report of, or testifies or is about to testify to, the wrongdoing or abuse to one of the employee's superiors, an agent of the employer, or an appropriate authority. "Whistle blower" includes a citizen of the Commonwealth who witnesses or has evidence of wrongdoing or abuse and who makes or demonstrates by clear and convincing evidence that he is about to make a good faith report of, or testifies or is about to testify to, the wrongdoing or abuse to an appropriate authority.

"Wrongdoing" means a violation, which is not of a merely technical or minimal nature, of a federal or state law or regulation, a local ordinance, or a formally adopted code of conduct or ethics of a professional

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59 organization designed to protect the interests of the public or employee.

60 **§ 2.2-3013.1. Notice and posting requirements for local governments.**

61 A. Every local government shall annually notify all its local government employees in writing of their
62 rights under this chapter, including the right to report suspected wrongdoing or abuse directly to the State
63 Inspector General or the Auditor of Public Accounts.

64 B. Every local government shall conspicuously post information describing whistleblower rights of local
65 government employees and providing current contact information for the State Inspector General and the
66 Auditor of Public Accounts (i) in locations customarily used for required employment notices and (ii) on the
67 local government's internal employee website or intranet, if one exists.

68 C. The State Inspector General, in consultation with the Auditor of Public Accounts, shall develop a
69 standardized notice and poster for use by local governments.

70 **§ 30-134.1. Investigation related to the Fraud and Abuse Whistle Blower Protection Act; localities.**

71 The Auditor of Public Accounts is authorized to perform any type of audit, review, or investigation of the
72 accounts and records of a locality that may be required pursuant to the Fraud and Abuse Whistle Blower
73 Protection Act (§ 2.2-3009 et seq.).