

1 State of Arkansas *As Engrossed: H1/26/04 S1/29/04 S1/30/04* Call Item 4
2 84th General Assembly **A Bill**
3 Second Extraordinary Session, 2003 HOUSE BILL 1140
4

5 By: Representatives Walters, Harris, Medley, Jeffrey, Norton, Blair
6 By: *Senators Gullett, Wilkinson*
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9 **For An Act To Be Entitled**

10 AN ACT TO REQUIRE CRIMINAL BACKGROUND CHECKS FOR
11 FRAUDULENT ACTS BY FISCAL OFFICERS OF PUBLIC
12 SCHOOL DISTRICTS; AND FOR OTHER PURPOSES.
13

14 **Subtitle**

15 AN ACT TO REQUIRE CRIMINAL BACKGROUND
16 CHECKS FOR FRAUDULENT ACTS BY FISCAL
17 OFFICERS OF PUBLIC SCHOOL DISTRICTS.
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20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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22 *SECTION 1. Arkansas Code Title 6, Chapter 17, Subchapter 4 is amended*
23 *to add an additional section to read as follows:*

24 6-17-421. Criminal records check for fraudulent acts.

25 (a) For purposes of this section:

26 (1) "Applicant" means an individual that is applying for initial
27 employment as a fiscal officer of a school district;

28 (2) "Fiscal officer" means any certified or noncertified
29 employee of a school district or education service cooperative who has any
30 right, duty, or responsibility to access funds of a school district in excess
31 of two hundred dollars (\$200), specifically including, but not limited to,
32 superintendents, fiscal officers and bookkeepers; and

33 (3) "Fraudulent act" means an act, involving fraud, or breach of
34 fiduciary trust, which is punishable under the criminal code in the
35 jurisdiction within which the act occurred.

36 (b)(1)(A) Upon making application for employment in a position as a



1 fiscal officer of a school district, the board of directors of a school
2 district shall require the employment applicant to authorize release to the
3 Department of Education the results of statewide and nationwide criminal
4 records checks by the bureau.

5 (B) Unless the employing school district's board of
6 directors has taken action to pay for the cost of criminal background checks
7 required by this section, the employment applicant shall be responsible to
8 the Department of Arkansas State Police for the payment of any fee associated
9 with the criminal records check.

10 (2)(A) The criminal background check shall conform to the
11 applicable federal standards and include the taking of the employment
12 applicant's or current fiscal employed officer's fingerprints.

13 (B) At the conclusion of the criminal records check
14 required by this section, the Bureau of Identification and Information shall
15 promptly destroy the fingerprint card of the affected employment applicant or
16 fiscal officer.

17 (3)(A) Any information received by the Department of Education
18 from the Bureau of Identification and Information pursuant to this section
19 shall not be available for examination except by the affected employment
20 applicant or fiscal officer or his or her duly authorized representative, and
21 no record, file, or document shall be removed from the custody of the
22 Department of Education.

23 (B) Any information made available to the affected
24 employment applicant or fiscal officer shall be information pertaining to
25 that applicant only.

26 (C) Rights of privilege and confidentiality established
27 under this section shall not extend to any document created for purposes
28 other than the background check.

29 (4) The Department of Education shall promptly inform the board
30 of directors of the local school district whether or not the affected
31 employment applicant is eligible for employment as provided in this
32 subsection (b).

33 (c)(1) No person shall be eligible for employment as a fiscal officer
34 by a local school district if the results of the criminal records check
35 released to the Department of Education by the applicant reveals that the
36 applicant has pleaded guilty or nolo contendere to, or has been found guilty

1 of a fraudulent act, only after an opportunity for a hearing before the state
2 board upon reasonable notice in writing.

3 (2) However, the board of directors of a local school district
4 is authorized to offer provisional employment to the affected applicant
5 pending receipt of eligibility information from the Department of Education.

6 (d)(1) The superintendent of each school district shall report to the
7 State Board of Education the name of any fiscal officer who is currently
8 employed or was employed during the two (2) previous school years by the
9 local school district who has pleaded guilty or nolo contendere to, or has
10 been found guilty of a fraudulent act.

11 (2) A superintendent who knowingly fails to report information
12 as required by this subsection may be subject to sanctions imposed by the
13 state board.

14 (e) A prosecuting attorney who prosecutes a person whom he or she
15 knows is a school employee in a case in which the school employee has pleaded
16 guilty or nolo contendere to, or has been found guilty of, a fraudulent act
17 shall report the name of the employee and the nature of the crime to the
18 school district in which the person is employed and the State Board of
19 education.

20 (f) A fiscal officer that pleads guilty or nolo contendere to, or has
21 been found guilty of a fraudulent act shall be dismissed from employment with
22 the school district, but only after an opportunity for a hearing before the
23 state board upon reasonable notice in writing.

24 (g)(1) The State Board of Education shall be entitled to consider:

25 (A) The age of the fiscal officer at the time the criminal
26 act occurred;

27 (B) The length of time since the conviction;

28 (C) Whether the fiscal officer has pleaded guilty, nolo
29 contendere, or has been found guilty of to any other criminal violation since
30 the original conviction;

31 (D) Whether the original conviction was expunged or
32 pardoned; and

33 (E) Any other relevant facts.

34 (2) The state board after conducting a hearing and issuing a
35 decision in writing, may determine not to prevent the employment or not to
36 require the termination of employment of the fiscal officer as required in

1 subsection (c) and (f) of this section.

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3 SECTION 2. EMERGENCY CLAUSE. It is found and determined by the
4 General Assembly that fiscal integrity and the protection of the public funds
5 is an important responsibility of government, that funds of some school
6 districts have been misappropriated by employees because of the lack of
7 requirements for background checks for fraudulent or dishonest acts, that
8 corrective action must be taken to prevent further loses in funds and in
9 public trust. Therefore, an emergency is declared to exist and this act
10 being immediately necessary for the preservation of the public peace, health,
11 and safety shall become effective on:

12 (1) The date of its approval by the Governor;

13 (2) If the bill is neither approved nor vetoed by the Governor,
14 the expiration of the period of time during which the Governor may veto the
15 bill; or

16 (3) If the bill is vetoed by the Governor and the veto is
17 overridden, the date the last house overrides the veto.

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19 /s/ Walters
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