

MAINE STATE LEGISLATURE

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116th MAINE LEGISLATURE

FIRST REGULAR SESSION-1993

Legislative Document

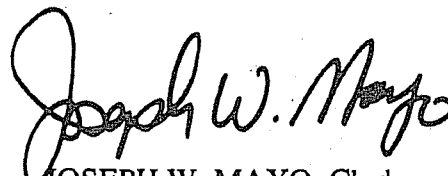
No. 275

H.P. 213

House of Representatives, February 2, 1993

An Act to Amend the Employee Suggestion System.

Reference to the Committee on State and Local Government suggested and ordered printed.


JOSEPH W. MAYO, Clerk

Presented by Representative VIGUE of Winslow.
Cosponsored by Representative TARDY of Palmyra, Senator CAREY of Kennebec and
Representatives: LIBBY of Kennebunk, POULIN of Oakland.

Be it enacted by the People of the State of Maine as follows:

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4 Sec. 1. 5 MRSA c. 56, first 2 lines are repealed and the following
enacted in their place:

6 **CHAPTER 56**

8 **SUGGESTION AND FRAUD RECOVERY BOARD**

10 Sec. 2. 5 MRSA §642, as amended by PL 1991, c. 780, Pt. Y,
12 §§30 and 31, is further amended to read:

14 **§642. Employee Suggestion and Fraud Recovery System**

16 1. Purpose. The Employee Suggestion System and Fraud
18 Recovery is established to authorize that cash or honorary awards
20 be made to state employees whose adopted suggestions or aid in
22 uncovering fraud in State Government will result or has resulted
24 in substantial savings, recovery of funds through the prosecution
 of fraud or improvement in state operations. This board is not
 established to uncover or investigate fraud but rather to reward
 state employees whose help in uncovering or prosecuting fraud in
 State Government has meant a recovery of funds or cost savings to
 the State.

26 2. Employee Suggestion and Fraud Recovery Board. The
28 Employee Suggestion System and Fraud Recovery Board is composed
30 of the Commissioner of Administrative and Financial Services and
 2 other commissioners of their respective state departments to be
 appointed by the Governor.

32 The Bureau of Human Resources is responsible for administering
34 the program, and shall assign one capable, highly experienced
36 employee of the bureau to manage the program on a day-to-day
 basis. That employee may also have assignments not related to
 this program.

38 The board shall elect a chair and shall adopt rules governing the
40 proceedings, including criteria for making awards. The board
 shall approve each award made.

42 No later than March 1st of each year, the board shall submit to
44 the joint standing committee of the Legislature having
46 jurisdiction over state government matters a report of its
 activities for the preceding calendar year, including information
 on the number and nature of suggestions received, fraud recovery
 cases forwarded and awards made.

2 3. **Employee positions excluded.** In establishing criteria
for making awards, the board may exclude certain levels of
4 positions from participation in the program, but in no event may
persons in positions enumerated in chapter 71, or Title 2,
section 6, be eligible to receive cash awards under the program.

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8 **4. Maximum cash award.** The maximum cash award approved
shall be for employee suggestions is limited to 10% of the first
10 year's estimated savings, or \$2,000, whichever is less. Except
as provided in subsection 4-A, an award shall may not be made for
12 any suggested savings of less than \$250. The maximum cash award
for fraud recovery assistance is 25% of the settlement of the
14 action or claim depending upon the extent to which the person
substantially contributed to the prosecution or resolution of the
16 action. Any cash awards approved by the board shall must be
charged against the fund or funds to which estimated savings or
18 fraud recovery apply. If it is not possible to reasonably
estimate the savings, the board may pay an initial amount and pay
20 an additional amount at the end of the first year, or may pay the
full amount at the end of the first year.

22 **4-A. Improvements to service without cost savings.** Upon
the recommendation of the agency head of the affected program,
24 the board may approve an award not to exceed \$100 for a
suggestion that results in improved services or operation of the
26 program but does not result in identifiable cost savings.

28 **5. Confidentiality.** The name of the suggestor shall must be
treated confidentially by the board and any other person handling
30 a suggestion until a final decision is made by the Board board,
if requested by the suggestor.

32 **6. Assistance.** Any department or other organization of
34 State Government shall provide whatever assistance the board
requests for evaluating suggestions or other purposes.

36 **7. Administration.** Notwithstanding any other law, whenever
38 an award is made from a fund for an employee suggestion award, an
equal amount must be transferred from the same fund to a special
40 revenue fund available to the Department of Administrative and
Financial Services to be used to administer the program.
42 Whenever an award is made for fraud recovery from a fund, an
amount not to exceed \$1,000 or an amount equal to the award,
44 whichever is less, must be transferred from the same fund to a
special revenue fund available to the Department of
46 Administrative and Financial Services to be used to administer
the program.

48 **8. Applicability.** Fraud recovery awards under this section
50 do not apply to claims, records or statements made under state
income tax laws.

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STATEMENT OF FACT

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This bill proposes to establish a system to reward state employees who help uncover or prosecute fraud in State Government. The Employee Suggestion System is amended to include a provision to make rewards for fraud recovery.

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