

MAINE STATE LEGISLATURE

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STATE OF MAINE
ONE HUNDRED AND TWELFTH LEGISLATURE
FIRST REGULAR SESSION

JOINT STANDING COMMITTEE ON
STATE GOVERNMENT
BILL SUMMARY



JULY, 1985

Prepared by:

Ted Potter, Legislative Assistant
Office of Legislative Assistants
State House, Station 13 Augusta, Maine 04333
(207) 289-1670



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STATE OF MAINE
OFFICE OF LEGISLATIVE ASSISTANTS
ROOM 101
STATE HOUSE, STATION 13
AUGUSTA, MAINE 04333
TEL.: (207) 289-2486

SARAH HOOKE
JULIE S. JONES
JOHN B. KNOX
EDWARD POTTER
MARGARET J. REINSCH
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ONE HUNDRED AND TWELFTH LEGISLATURE
FIRST REGULAR SESSION

JOINT STANDING COMMITTEE
BILL SUMMARIES
JULY 1985

This document is a compilation of the bill summaries prepared by this office for the Joint Standing Committees of the Maine Legislature, covering the First Regular Session of the 112th Legislature. The summaries are arranged by LD number and indexed separately by committee.

C. keep a record of all costs incurred for each project, and

D. use model cost accounting procedures developed by the Commissioner of Finance and Administration.

The purpose of LD 879 was to ensure that construction and repair projects undertaken by state agencies and not contracted out for bid would be subject to the similar principle of the competitive bid process.

The major proponent of the bill, Mark Gartley from Ciambro Corporation, presented a new draft of the bill at the hearing. The original bill had a price tag of \$500,000 to cover the cost of developing and implementing a new cost accounting system for state government to implement the indirect cost allocation system.

The new draft, LD 1440 permits the Commissioner of Finance and Administration to standardize the various departments' existing indirect cost allocation proposals and to allow for a more accurate estimate of the total costs of construction, repair or improvement to state-owned property when performed with the departments' own personnel, equipment and supplies.

The indirect cost allocation procedure can be adopted following the standardization of allocation of indirect costs of the various departments of state government.

LD:	1457	AN ACT TO ESTABLISH THE OFFICE OF INSPECTOR GENERAL TO INVESTIGATE FRAUD, WASTE OR ABUSE IN THE EXPENDITURE OF PUBLIC FUNDS	RACINE RICHARD THERIAULT
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LV-WD	HOUSE Accepted Committee Report SENATE Accepted Committee Report GOV
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SUMMARY:

Please refer to LD 1322 as well for a comparison of two different approaches to the same issue.

LD 1457 proposed to establish the Office of Inspector General to:

- A. Conduct audits and investigations of the expenditures of public funds,
- B. Review legislation and proposed laws and rules and their effect on the prevention or detection of fraud and abuse,
- C. Recommend policies to prevent or detect fraud and abuse, and

D. Advise and assist state agencies and political subdivisions with respect to expenditures of public funds involving fraud and abuse.

The Inspector General, upon finding violations of federal or state law would report the finding to the Office of the Attorney-General for further action including civil action by the Attorney General.

The Office of the Inspector General, in the bill, also would serve as an office to receive complaints from public employees concerning fraud, waste, or abuse in the expenditure of public monies. The name of the informant would be kept confidential unless the informant agreed to the release of his/her identity or in the event that in the process of an investigation, the disclosure of the informant's identity was necessary or unavoidable.

The Inspector General would be appointed by the Governor to a 4 year term and confirmed by the Legislature (State Government Committee Review). The Inspector General would be advised by a 7 member council composed of 5 State officials, 1 person experienced in business/accounting and 1 public member.

Modelled after the federal Offices of Inspector Generals, LD 1457 sought, like LD 1322, to stop fraud, waste, and mismanagement of funds by public employees. LD 1457, however, had a much higher price than LD 1322. Nevertheless, LD 1322 avoided the problem with respect to standards of evidence that existed in LD 1322.

The Committee was concerned about the exposure of persons accused by informants. The accused persons could be innocent, but their reputation could be seriously harmed by the accusations. The Committee was also concerned about inspiring with hunts and "1984" types of activities.

The Merit Systems Protection Board (MSPB), the enforcement division, pointed out that only very well trained and experienced persons should staff the office and to advise the State Inspector General with respect to the degree of reliability of the evidence. The Enforcement Division of the MSPB pointed out that the State Inspector General's Office would probably receive a tremendous number of calls and complaints, many of which would be unreliable or irrelevant. Nevertheless, some would be pertinent and could lead to considerable savings and the conclusion of some abuses or mismanagement of funds.

The bill was withdrawn as a result of the lack of Committee support.