

2013 DRAFTING REQUEST

Bill

Received: 1/23/2013 Received By: fknepp
Wanted: As time permits Same as LRB:
For: Chad Weininger (608) 266-5840 By/Representing: Kristen Seeman
May Contact: Drafter: fknepp
Subject: Public Assistance - misc Addl. Drafters:
Extra Copies:

Submit via email: YES
Requester's email: Rep.Weininger@legis.wisconsin.gov
Carbon copy (CC) to: pam.kahler@legis.wisconsin.gov
fern.knepp@legis.wisconsin.gov

Pre Topic:

No specific pre topic given

Topic:

Reward for reporting public assistance fraud

Instructions:

Redraft LRB 11-3658/1

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	fknepp 1/23/2013	wjackson 2/5/2013	rschluet 2/6/2013	_____			
/P1	fknepp 4/2/2013			_____	srose 2/6/2013		State
/1		wjackson 4/10/2013	rschluet 4/10/2013	_____	lparisi 4/10/2013	sbasford 4/17/2013	State

FE Sent For:

→ At
Intro.

<END>

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/?	fknepp 1/23/2013	wjackson 2/5/2013	rschlue 2/6/2013	_____			
/P1		1/1 WLJ 4/10	<i>[Handwritten Signature]</i>	_____	srose 2/6/2013		State

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/? fknepp

1/21/13 WJ 2/5

PK
2613

FE Sent For:

<END>



State of Wisconsin

2011-2012 LEGISLATURE

2013-2014

In 1-23-2013

2011 BILL



LRB-8658/1

FFK: [initials]

Wlj

1279/P

RNNK

Regen

1 AN ACT to create 16.32 and 20.505 (1) (kn) of the statutes; relating to: creating
 2 an incentive program for reporting fraud to a state hotline, granting
 3 rule-making authority, and making an appropriation.

Analysis by the Legislative Reference Bureau

Currently, the state has established two hotlines that receive reports from individuals who suspect fraudulent activity in state programs. The first hotline is administered by the Legislative Audit Bureau to receive reports of fraud, waste, and mismanagement in state government. The second hotline is maintained by the the Office of the Inspector General in the Department of Health Services for the purpose of receiving reports on suspected fraudulent activity in public assistance programs.

administers the first hotline

maintains the second hotline to receive

Under this bill, the Department of Administration (DOA) is required to establish an incentive program, by rule, for individuals who report suspected fraudulent activity to an existing fraud hotline or to any other fraud hotline established by a state agency. The incentive program established by DOA must include a reward payment of up to 5 percent of the amount of state funds that are recovered as the result of a report to the individual who made a report that led to the recovery.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

BILL

1 SECTION 1. 16.32 of the statutes is created to read:

2 **16.32 Incentives to report fraud to a fraud hotline. (1)** In this section:

3 (a) "Agency" means an office, department, independent agency, association, or
4 other body in state government created or authorized to be created by the
5 constitution or any law, that is entitled to expend moneys appropriated by law,
6 including the legislature and the courts, but not including an authority created in
7 subch. II of ch. 114 or subch. III of ch. 149 or in ch. 231, 232, 233, 234, 235, 237, 238,
8 or 279.

9 (b) "Fraud hotline" means the toll-free telephone number established under s.
10 13.94 (1) (br), a hotline maintained by the department of health services to receive
11 reports of fraud in public assistance programs, or any other hotline maintained by
12 an agency to receive reports of fraud in state government.

13 (2) The department shall establish an incentive program, by rule, that rewards
14 an individual who reports suspected fraudulent activity in a program that is
15 administered by an agency to a fraud hotline. The department shall establish the
16 incentive program to provide that, if a report to a fraud hotline leads to a recovery
17 of state funds, the department shall provide a reward payment to the individual or
18 individuals who reported the fraudulent activity to a fraud hotline. The total amount
19 that the department may provide as reward payments for a single recovery is 5
20 percent of the state funds that are recovered as a result of the reported fraudulent
21 activity. The department shall pay reward payments under this subsection from the
22 appropriation under s. 20.505 (1) (k).

23 (3) The department may assess an agency that recovers state funds as the
24 result of a report to a fraud hotline for the amount of a reward payment made under
25 sub. (2) related to a report that led to the recovery. An agency that pays an

BILL

1 assessment under this subsection shall pay the assessment from the appropriation
2 for administration of the program in which the reported fraudulent activity occurred
3 unless payment from that appropriation is prohibited. Notwithstanding ss. 20.115
4 to 20.765, if payment from the appropriation for administration of the program is
5 prohibited, the agency shall pay the assessment from a general program operations
6 appropriation of the agency, as determined by the agency. If the program is
7 administered from more than one appropriation, the agency shall pay the
8 assessment from the appropriation or appropriations for program administration, as
9 determined by the agency.

10 **SECTION 2.** 20.505 (1) (kn) of the statutes is created to read:

11 20.505 (1) (kn) *Reward payments for reporting fraud.* All moneys received from
12 assessments under s. 16.32 (3) to provide reward payments under s. 16.32 (2).

13 **SECTION 3. Nonstatutory provisions.**

14 (1) DEPARTMENT OF ADMINISTRATION; RULES. The department of administration
15 shall submit, in proposed form, the rules required under section 16.32 (2) of the
16 statutes, as created by this act, to the legislative council staff under section 227.15
17 (1) of the statutes no later than June 1, 2012

(END)

the first day of the 7th month the
beginning after the day on which the
governor approves
the statement of scope for the rules

18 The department of administration shall present
the statement of scope of the rules required under
section 16.32(2) of the statutes, as created by this
act, to the governor for approval under section
227.135(2) of the statutes no later than the first
day of the 4th month ^{beginning} after the effective date of this subsection.
placeholders

*** NOTE: The time frames in this subsection are just/place
holders. Please let me know the deadlines you would like to set for

Knepp, Fern

From: Seeman, Kirsten
Sent: Tuesday, April 02, 2013 8:53 AM
To: Knepp, Fern
Subject: LRB-1279/P1

Hi, Fern:

Could we have LRB-1279/P1 turned into a real draft, please?

Thank you,

Kirsten Seeman
Research Assistant
Office of Representative Chad Weininger
4th Assembly District
125 West, State Capitol
608-266-1184 / kirsten.seeman@legis.wisconsin.gov

Telephone Call w/ Kirsten Seeman
4-3-13

Representative Weininger wants to
make sure the incentive program
applies to reports of agency
mismanagement.

Reward for reports of mismanagement
would be 5% of what is saved.



State of Wisconsin
2013 - 2014 LEGISLATURE



LRB-1279/P1
FFK:wj:rs

1/1

In 4-8-2013

Out by 4-10
(if possible)

(d-note)

(stays)

RMR

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

Regen

- 1 AN ACT to create 16.32 and 20.505 (1) (kn) of the statutes; relating to: creating
- 2 an incentive program for reporting fraud to a state hotline, granting
- 3 rule-making authority, and making an appropriation.

Analysis by the Legislative Reference Bureau

Currently, the state has established two hotlines that receive reports from individuals who suspect fraudulent activity in state programs. The Legislative Audit Bureau administers the first hotline to receive reports of fraud, waste, and mismanagement in state government. The office of the inspector general in the Department of Health Services maintains the second hotline to receive reports on suspected fraudulent activity in public assistance programs.

Under this bill, the Department of Administration (DOA) is required to must establish an incentive program, by rule, for individuals who report suspected fraudulent activity to an existing fraud hotline or to any other fraud hotline established by a state agency. The incentive program established by DOA must include a reward payment of up to 5 percent of the amount of state funds that are recovered or saved as the result of a report to the individual who made a report that led to the recovery of the

For further information see the **state** fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

or agency mismanagement

or savings

1 SECTION 1. 16.32 of the statutes is created to read:

2 16.32 Incentives to report fraud to a fraud hotline. (1) In this section:

3 (a) "Agency" means an office, department, independent agency, association, or
4 other body in state government created or authorized to be created by the
5 constitution or any law, that is entitled to expend moneys appropriated by law,
6 including the legislature and the courts, but not including an authority created in
7 subch. II of ch. 114 or subch. III of ch. 149 or in ch. 231, 232, 233, 234, 237, 238, or
8 279.

9 (b) "Fraud hotline" means the toll-free telephone number established under s.
10 13.94 (1) (br), a hotline maintained by the department of health services to receive
11 reports of fraud in public assistance programs, or any other hotline maintained by
12 an agency to receive reports of fraud in state government.

13 (2) The department shall establish an incentive program, by rule, that rewards
14 an individual who reports suspected fraudulent activity ^{or mismanagement} in a program that is
15 administered by an agency. The department shall establish the incentive program
16 to provide ^{all of the following} that, if a report to a fraud hotline leads to a recovery of state funds, the
17 department shall provide a reward payment to the individual or individuals who
18 reported the fraudulent activity to a fraud hotline. The total amount the department
19 may provide as reward payments for a single recovery is 5 percent of the state funds
20 that are recovered as a result of the reported fraudulent activity. The department
21 shall pay reward payments under this subsection from the appropriation under s.
22 20.505 (1) (kn).

23 (3) The department may assess an agency that recovers ^{or saves} state funds as the
24 result of a report to a fraud hotline for the amount of a reward payment made under
25 sub. (2) related to a report that led to the recovery ^{or savings}. An agency that pays an

INS
2-16

[Handwritten notes and scribbles at the bottom of the page]

1 assessment under this subsection shall pay the assessment from the appropriation
2 for administration of the program in which the reported fraudulent activity occurred
3 unless payment from that appropriation is prohibited. Notwithstanding ss. 20.115
4 to 20.765, if payment from the appropriation for administration of the program is
5 prohibited, the agency shall pay the assessment from a general program operations
6 appropriation of the agency, as determined by the agency. If the program is
7 administered from more than one appropriation, the agency shall pay the
8 assessment from the appropriation or appropriations for program administration, as
9 determined by the agency.

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13 **SECTION 3. Nonstatutory provisions.**

14 (1) DEPARTMENT OF ADMINISTRATION; RULES. The department of administration
15 shall present the statement of scope of the rules required under section 16.32 (2) of
16 the statutes, as created by this act, to the governor for approval under section
17 227.135 (2) of the statutes, no later than the first day of the 4th month beginning after
18 the effective date of this subsection. The department of administration shall submit,
19 in proposed form, the rules required under section 16.32 (2) of the statutes, as created
20 by this act, to the legislative council staff under section 227.15 (1) of the statutes no
21 later than the first day of the 7th month beginning after the day on which the
22 governor approves the statement of scope for the rules.

****NOTE: The time frame in this subsection are just placeholders. Please let me
know the deadlines you would like to set for these submittals.

23

I note

(END)

**2013-2014 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-1279/lins
FFK:.....

INS 2-16

1 (a) If a report of suspected fraudulent activity to a fraud hotline leads to a
2 recovery of state funds, the department shall provide a reward payment to the
3 individual or individuals who reported the fraudulent activity to the fraud hotline.
4 The total amount the department may provide as reward payments for a single
5 recovery is 5 percent of the state funds that are recovered as a result of eliminating
6 the reported fraudulent activity.

7 (b) If a report to a fraud hotline of suspected mismanagement by an agency
8 leads to an agency saving state funds, the department shall provide a reward
9 payment to the individual or individuals who reported the mismanagement to the
10 fraud hotline. The total amount the department may provide as reward payments
11 for a single act of mismanagement is 5 percent of the state funds that are saved over
12 a 12-month period, as determined by the department, as a result of eliminating the
13 reported mismanagement.

End Ins. 2-16

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

1279/1dn
FFK:/:...

wj

Date

To Representative Weininger:

This draft includes specific provisions for reports ^a made to a fraud hotline of agency mismanagement. Because a reward for report of agency mismanagement is based on the amount of state funds saved rather than the state funds recovered, the draft limits the amount of the reward for reporting agency mismanagement to the amount of funds saved over a 12-month period. Please let me know if this is not consistent with your intent.

Fern Knepp
Legislative Attorney
Phone: (608) 261-6927
E-mail: fern.knepp@legis.wisconsin.gov

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-1279/1dn
FFK:wlj:rs

April 10, 2013

To Representative Weininger:

This draft includes specific provisions for reports of agency mismanagement made to a fraud hotline. Because a reward for a report of agency mismanagement is based on the amount of state funds saved rather than the state funds recovered, the draft limits the amount of the reward for reporting agency mismanagement to the amount of funds saved over a 12-month period. Please let me know if this is not consistent with your intent.

Fern Knepp
Legislative Attorney
Phone: (608) 261-6927
E-mail: fern.knepp@legis.wisconsin.gov

Parisi, Lori

From: Seeman, Kirsten
Sent: Wednesday, April 17, 2013 1:18 PM
To: LRB.Legal
Subject: Draft Review: LRB -1279/1 Topic: Reward for reporting public assistance fraud

For Rep. Weininger. Thanks!

Please Jacket LRB -1279/1 for the ASSEMBLY.