



2011 ASSEMBLY BILL 663

March 6, 2012 - Introduced by Representatives WEININGER, JACQUE, MARKLEIN, THIESFELDT and TRANEL. Referred to Committee on Ways and Means.

1 **AN ACT to create** 13.94 (1) (br) 3. and 13.94 (1) (br) 4. of the statutes; **relating**
2 **to:** fraud, waste, and mismanagement in state government and authorizing the
3 expenditure of funds.

Analysis by the Legislative Reference Bureau

Current law requires the Legislative Audit Bureau (LAB) to maintain a toll-free telephone number with voice mail to receive reports of fraud, waste, and mismanagement in state government. LAB must relay these reports either to the appropriate LAB employee for investigation or to a state agency for investigation. If the state agency conducts the investigation, it must deliver the results of the investigation to LAB in a timely manner.

This bill provides that if an LAB or state agency investigation finds that fraud, waste, or mismanagement has occurred, the individual submitting the report must be paid a reward equal to \$100,000, 2 percent of the moneys that are recovered in any legal action resulting from the fraud, waste, or mismanagement, or 2 percent of the moneys that are saved in the succeeding fiscal year as a result of eliminating the fraud, waste, or mismanagement, whichever is least. Under the bill, LAB must determine whether moneys can be saved or recovered as a result of eliminating the fraud, waste, or mismanagement and must certify to the secretary of administration the amounts to be paid as rewards to individuals. The secretary of administration must pay the rewards from the appropriation account that is used to fund the program that is the focus of the report of fraud, waste, or mismanagement.

The bill also provides that a senator or representative to the assembly may make a report to LAB on behalf of any individual who contacts the office of the

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senator or representative. If an LAB or state agency investigation finds that fraud, waste, or mismanagement has occurred, the senator or representative must identify the individual who must be paid the award. A senator or representative may also introduce a bill on behalf of the individual to eliminate the fraud, waste, or mismanagement. If the bill is enacted and if LAB determines that the legislation will eliminate the fraud, waste, or mismanagement, the individual shall be paid the award.

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:

1 **SECTION 1.** 13.94 (1) (br) 3. of the statutes is created to read:

2 13.94 (1) (br) 3. If an investigation conducted under subd. 1. or 2. finds that
3 fraud, waste, or mismanagement has occurred in state government, the individual
4 submitting the report of fraud, waste, or mismanagement shall be paid a reward
5 equal to \$100,000, 2 percent of the moneys that are recovered in any legal action
6 resulting from the fraud, waste, or mismanagement, or 2 percent of the moneys that
7 are saved in the succeeding fiscal year as a result of eliminating the fraud, waste, or
8 mismanagement, whichever is least. The legislative audit bureau shall determine
9 whether moneys can be saved or recovered as a result of eliminating the fraud, waste,
10 or mismanagement and shall certify to the secretary of administration the amounts
11 to be paid as rewards to individuals. The secretary of administration shall pay the
12 rewards from the appropriation account that is used to fund the program that is the
13 focus of the report of fraud, waste, or mismanagement.

14 **SECTION 2.** 13.94 (1) (br) 4. of the statutes is created to read:

15 13.94 (1) (br) 4. A senator or representative to the assembly may make a report
16 to the bureau under subd. 1. on behalf of any individual who contacts the office of the
17 senator or representative. If an investigation conducted under subd. 1. or 2. finds

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1 that fraud, waste, or mismanagement has occurred, the senator or representative
2 shall identify the individual who shall be paid an award under subd. 3. A senator
3 or representative may also introduce a bill on behalf of the individual to eliminate
4 the fraud, waste, or mismanagement. If the bill is enacted and if the bureau
5 determines that the legislation will eliminate the fraud, waste, or mismanagement,
6 the individual shall be paid an award under subd. 3.

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(END)