

CS FOR SENATE CONCURRENT RESOLUTION NO. 29(FIN) am

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Amended: 4/11/96

Offered: 4/9/96

Sponsor(s): SENATE RULES COMMITTEE

A RESOLUTION

1 **Objecting to the Department of Administration's settlement with certain employees**
2 **of the Alaska marine highway system.**

3 **BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 **WHEREAS** the labor relations section in the Department of Administration determined
5 after investigation that several employees of the Alaska marine highway system had
6 intentionally defrauded the state of approximately \$800,000 between 1990 and 1994 by
7 claiming to be state residents for purposes of receiving the cost-of-living differential that is
8 available only to state residents; and

9 **WHEREAS** these acts of deception are punishable under state law as criminal fraud;
10 and

11 **WHEREAS** the commissioner of administration and the Marine Engineers Benevolent
12 Association, which represents these employees, have entered into a settlement agreement
13 requiring the employees to reimburse the state for less than 15 cents on the dollar for the extra
14 compensation they claimed and received; and

15 **WHEREAS** the settlement terms provide that no offending employee will be
16 prosecuted for these offenses and that the offending employees may continue to work for the

1 marine highway system without suspension, so long as they do not reoffend; and

2 **WHEREAS** the Department of Administration did not consult with or inform the state
3 legislature or the general public before it entered into negotiations with the bargaining
4 organization or agreed to these settlement terms; and

5 **WHEREAS** the settlement appears excessively lenient given the intentional fraud
6 alleged against the employees; and

7 **WHEREAS** the settlement deprives the people of the state of the repayment of money
8 to which the state is rightfully entitled, thereby reducing the revenue of the state; and

9 **WHEREAS** the monetary terms of an agreement reached under authority of the Public
10 Employment Relations Act are subject to legislative funding under AS 23.40.215(a) and
11 legislative approval under AS 23.40.215(b);

12 **BE IT RESOLVED** that the Alaska State Legislature disapproves the settlement
13 agreement reached between the Department of Administration and the Marine Engineers
14 Benevolent Association on behalf of certain employees of the Alaska marine highway system
15 and respectfully instructs the governor that the legislature does not authorize the agreement;
16 and be it

17 **FURTHER RESOLVED** that the commissioner of administration should refrain from
18 engaging in any further settlement discussions with the Marine Engineers Benevolent
19 Association, the International Association of Masters, Mates, and Pilots, or the
20 Inlandboatmen’s Union of the Pacific aimed at reducing any sum considered to be owed to
21 the state by any member of one of those collective bargaining organizations because of an
22 inappropriately claimed resident cost-of-living differential; and be it

23 **FURTHER RESOLVED** that the Department of Administration and the Alaska
24 marine highway system take all measures available to them under law or contract to secure
25 repayment of all sums owed to the state relating to the cost-of-living differential; and be it

26 **FURTHER RESOLVED** that the Alaska State Legislature requests that the attorney
27 general appoint a special investigator to conduct an investigation into the actions and decisions
28 of the Department of Administration leading to the settlement between the commissioner of
29 administration and the Marine Engineers Benevolent Association to determine whether the
30 agreement violates AS 39.52.120(a) or any other statutory or regulatory provisions. The
31 special investigator shall report to the President of the Senate and the Speaker of the House

1 of Representatives no later than April 24, 1996, concerning the results of that investigation.
2 **FURTHER RESOLVED** that if by April 25, 1996 the special investigator has not
3 been appointed or no report has been made to the Speaker of the House and President of the
4 Senate that the presiding officers jointly agree to appoint a special investigator to proceed and
5 request time before a grand jury if warranted.