

HOUSE CONCURRENT RESOLUTION NO. 33
IN THE LEGISLATURE OF THE STATE OF ALASKA
NINETEENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE LABOR AND COMMERCE COMMITTEE

Introduced: 4/4/96
Referred: Finance

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 Department of Administration, labor relations section, and the Marine
12 Engineers Benevolent Association, which represents these employees, have entered into a
13 settlement agreement requiring the employees to reimburse the state for less than 15 cents on
14 the dollar for the extra 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;

7 **BE IT RESOLVED** that the Alaska State Legislature declares that the settlement
8 reached between the Department of Administration and the Marine Engineers Benevolent
9 Association on behalf of certain employees of the Alaska marine highway system is wholly
10 unacceptable to the people of the state; and be it

11 **FURTHER RESOLVED** that the Alaska State Legislature supports all efforts to
12 dissolve or void the settlement; and be it

13 **FURTHER RESOLVED** that the Alaska State Legislature requests that the Attorney
14 General appoint a special investigator to conduct an investigation into the actions and
15 decisions of the Department of Administration and report to the President of the Senate and
16 the Speaker of the House of Representatives no later than April 15, 1996, concerning the
17 results of that investigation.